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ABSTRACT

Eight papers presented at a 1-day conference on poverty in Wisconsin are collected in this volume. The first six papers focus on poverty within the state and its effects on particular groups such as women, racial minorities, the elderly, and those in rural areas. The last two papers examine these findings in light of current poverty programs and future policy decisions. The first of two papers by Sheldon Danziger compares poverty in Wisconsin to poverty in the United States as a whole; the second paper examines the rise in poverty using alternative measures. Stephen Tordella's paper reports on poverty among Wisconsin's racial minorities, which accounted for 20% of those below the poverty level in 1979 while making up only 6.5% of the population. Ann Nichols-Casebolt looks at women and poverty, and Patricia Guhleman and Doris Slesinger examine poverty among the elderly. William Saupe and John Belknap discuss Wisconsin's rural poor. The issue of poverty in the context of Wisconsin's relief programs is addressed by Maurice MacDonald's review of the impact of the Reagan Administration's budget cuts on Wisconsin's food stamp recipients and by Mark Rank's and Paul Voss's summary of the characteristics of the state's welfare population. (JHZ)

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Poverty in Wisconsin

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POVERTY IN WISCONSIN

Proceedings of a
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held November 30, 1983
Madison, Wisconsin

Edited by:
Nancy J. Kanaskie

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PREFACE

Poverty in Wisconsin was a one-day conference cosponsored by the Wisconsin State Data Center* and the Institute for Research on Poverty, University of Wisconsin-Madison. It was organized with two purposes in mind. The first was to study poverty in Wisconsin and its effects on particular groups including women, minorities, the elderly, and those in rural areas. The second objective was to discuss the results of these findings in light of current poverty programs and future policy decisions.

The papers in this book are organized around the two stated objectives. The first six papers focus on poverty within the State and among certain sub-populations. Sheldon Danziger begins the series with a paper comparing poverty in Wisconsin to that in the United States. In a second paper he examines the rise in poverty using alternative measures.

The four succeeding papers present data and trends in poverty for specific segments of the population. Poverty among minorities is the subject of a paper by Stephen Tordella. Ann Nichols-Casebolt looks at women and poverty, and Patricia Guhleman and Doris Slesinger examine poverty among the elderly. Lastly, William Saupe and John Belknap discuss Wisconsin's rural poor.

The final two papers address the issue of poverty in the context of Wisconsin's relief programs. Maurice MacDonald reviews the impact of Reagan's budget cuts on Wisconsin's food stamp recipients. Mark Rank and Paul Voss describe the characteristics of Wisconsin's welfare population.

The Poverty in Wisconsin conference was structured to include lecture-style presentations and panel and audience discussions. The scope of this book permits only the publication of the papers presented, but the sponsors would like to acknowledge members of the panel discussions whose insights and remarks contributed greatly to the success of the conference.

A special acknowledgement is also extended to Stephen Tordella who first conceived of the idea of a conference on poverty and who was the driving force in its overall organization. Special thanks also to Karen Daramola and Karen Weed for their editorial and administrative assistance in producing this publication. The Poverty in Wisconsin conference was supported through funds from the University of Wisconsin-Extension.

*The Wisconsin State Data Center is a joint effort of the Applied Population Laboratory, Department of Rural Sociology, University of Wisconsin-Extension; and Demographic Services Center, Wisconsin Department of Administration. They are joined by 38 affiliate organizations statewide who assist in the dissemination of demographic information on Wisconsin.

RECENT INCREASES IN POVERTY: A COMPARISON OF WISCONSIN AND THE U.S.*

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Table 1 shows, for each state, the official Census Bureau measure of the incidence of poverty for all persons for 1978 and 1982, and the percentage increase in poverty over this period. The poverty line, which is indexed to the consumer price index, increased from $6662 to $9862 for a nonfarm family of four. In 1982, the poverty line varied from $4901 for a single family, to $19,698 for a household of nine or more persons. While prices, and hence the poverty line, increased by almost 50 percent over this four-year period, median family income increased by only 33 percent. As a result, the poverty line for a nonfarm family of four increased from about 38 to 42 percent of the median family income (Table 2).

This decline in real family income, the increase in unemployment from 6.1 percent in 1978 to 9.7 percent in 1982, and cutbacks in government income maintenance programs all contributed to the rapid increase in poverty (see Danziger 1983, and Gottschalk and Danziger

*This research was supported by funds from the Graduate School Research Committee of the University of Wisconsin and from the Wisconsin Department of Health and Social Services.

1983). Poverty increased from 11.4 to 15.0 percent of all persons for the U.S. and for all but one of the states. In both 1978 and 1982, Wisconsin's poverty rate was among the lowest in the nation - 7.47 and 9.54 percent respectively. In 1978, only seven states had rates below eight percent and in 1982 only three had rates below ten percent. In addition, despite a more rapid increase in unemployment in Wisconsin than the U.S. (Wisconsin's unemployment rate was 5.1 percent in 1978 and 10.7 percent in 1983), the 27.8 percent increase in poverty in Wisconsin was slightly below the average increase. The contrast with Michigan is particularly striking. In 1978, its rate was less than one percentage point above Wisconsin's, but its poverty rate almost doubled by 1982, so that its 1982 rate was almost seven percentage points above Wisconsin's. The story is the same, but less dramatic, for Minnesota.

Table 3 shows three measures of poverty for each state for 1982. The first column excludes all government cash transfers, the second adds cash social insurance benefits, and the third adds cash public assistance benefits. The fourth column shows the ratio of prewelfare to pretransfer poverty. For the U.S. as a whole, this ratio is .66, meaning that poverty after these transfers is 66 percent of what it was before them. Wisconsin's ration is .63, indicating that social insurance transfers have a slightly higher than average antipoverty effect in Wisconsin. The fifth column shows the ratio of posttransfer poverty (the official Census Bureau measure) to prewelfare poverty. It shows the antipoverty impact of cash public assistance benefits - Aid to Families with Dependent

Children (AFDC), Supplemental Security Income (SSI), and General Assistance. These welfare benefits are more influenced by state policy than are social insurance benefits. The ratio for the U.S. is .95, indicating a reduction of about five percent. Wisconsin's ration, .90, is the third lowest in the country, indicating that its welfare programs reduce poverty by twice as much as those in the average state.

In sum, despite a doubling of its unemployment rate between 1978 and 1982, Wisconsin's poverty rate remains among the lowest in the nation, and its welfare programs among the most effective in reducing poverty.

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Table 1: Incidence of Poverty and Percentage Change in Poverty Among All Persons, 1978 to 1982

State	1978	1982	% Change
Massachusetts	10.24%	10.26%	0.2%
Rhode Island	10.55	13.28	25.9
Connecticut	7.06	8.11	14.9
Maine	13.65	13.73	0.6
New Hampshire	7.25	10.30	42.0
Vermont	11.08	12.93	16.7
New York	11.73	14.77	25.9
New Jersey	9.51	12.17	28.0
Pennsylvania	9.79	13.54	38.3
Ohio	8.56	12.77	49.3
Indiana	9.62	12.61	31.1
Illinois	10.16	13.41	32.0
Michigan	8.31	16.30	96.3
Wisconsin	7.47	9.54	27.8
Minnesota	8.05	13.36	66.1
Iowa	7.73	13.39	73.1
Missouri	10.54	14.57	38.2
North Dakota	10.66	12.89	20.9
South Dakota	10.91	16.84	54.3
Nebraska	9.51	13.63	43.3
Kansas	10.10	10.51	4.0
Delaware	7.96	11.48	44.2
Maryland	7.61	12.30	61.7
District of Columbia	18.52	19.29	4.2
Virginia	9.80	12.52	27.8
West Virginia	13.70	24.88	81.7
North Carolina	15.57	20.24	30.1
South Carolina	13.83	21.30	54.0
Georgia	17.54	19.72	11.4
Florida	14.58	15.28	4.8
Kentucky	12.81	16.20	26.4
Tennessee	16.05	23.62	47.2
Alabama	20.54	21.59	5.1
Mississippi	22.55	22.91	1.6
Arkansas	19.18	23.76	23.9
Louisiana	17.55	22.71	29.4
Oklahoma	10.71	15.35	43.3
Texas	13.91	16.17	16.2
Montana	12.59	16.96	34.8
Idaho	8.34	15.61	87.1
Wyoming	6.03	11.99	98.9
Colorado	11.27	12.65	12.3
New Mexico	16.50	22.54	36.6

continued

Table 1 (continued): Incidence of Poverty and Percentage Change in Poverty Among All Persons, 1978 to 1982

State	1978	1982	% Change
Arizona	9.83%	14.78%	50.4%
Utah	9.33	14.79	58.4
Nevada	10.03	7.81	-22.1
Washington	10.40	12.87	23.8
Oregon	9.44	13.84	46.6
California	9.75	14.14	45.0
Alaska	8.51	10.64	25.0
Hawaii	8.25	13.48	59.8
Total U.S.	11.4	15.01	32.1

Source: Computations from March 1983 and March 1979 Current Population Surveys

[a]Defined as ((1982 Poverty - 1978 Poverty)/(1978 Poverty)) * 100.

Table 2: Poverty Line Compared to Median Family Income, Selected Years, 1965-1982

Year	Poverty Line For a Nonfarm Family of Four[a]	Median Family Income (2)	Ratio of Poverty Line to Median Family Income (3)	Consumer Price Index (1967=100) (4)
1965	$3223	$6957	.46	94.5
1968	3553	8632	.41	104.2
1970	3968	9867	.40	116.3
1973	4540	12,051	.38	133.1
1975	5500	13,719	.40	161.2
1978	6662	17,640	.38	195.4
1979	7412	19,661	.38	217.4
1980	8414	21,023	.40	246.8
1981	9287	22,388	.41	272.4
1982	9862	23,433	.42	289.1

Source: U.S. Bureau of the Census.

[a]Current Dollars

Table 3: Incidence of Poverty Among All Persons, By State, 1982

State	Pretransfer (1)	Prewelfare (2)	Posttransfer (3)	Ratio Col.(2)/(1) (4)	Ratio Col.(3)/(2) (5)
Massachusetts	19.07%	11.1%	10.26%	.59	.92
Rhode Island	26.93	13.89	13.28	.52	.96
Connecticut	14.92	8.27	8.11	.55	.98
Maine	24.21	14.18	13.73	.59	.97
New Hampshire	18.41	10.63	10.30	.58	.97
Vermont	24.31	14.80	12.93	.61	.87
New York	24.74	16.23	14.77	.66	.91
New Jersey	20.10	12.81	12.17	.64	.95
Pennsylvania	24.15	14.10	13.54	.58	.96
Ohio	22.44	13.42	12.77	.60	.95
Indiana	22.39	12.83	12.61	.57	.98
Illinois	21.50	13.76	13.41	.64	.97
Michigan	25.39	17.44	16.30	.69	.94
Wisconsin	16.78	10.64	9.54	.63	.90
Minnesota	23.16	14.10	13.36	.61	.95
Iowa	24.37	13.93	13.39	.57	.96
Missouri	26.18	15.82	14.57	.60	.92
North Dakota	20.98	13.57	12.89	.65	.95
South Dakota	26.10	17.74	16.84	.68	.95
Nebraska	22.08	14.01	13.63	.63	.97
Kansas	19.10	11.07	10.51	.58	.95
Delaware	18.53	12.33	11.48	.67	.93
Maryland	19.71	12.70	12.30	.64	.97
District of Columbia	28.97	20.23	19.29	.70	.95
Virginia	20.15	13.08	12.52	.65	.96
West Virginia	37.13	25.46	24.88	.69	.98
North Carolina	28.53	21.20	20.24	.74	.96
South Carolina	30.78	23.35	21.30	.76	.91
Georgia	26.82	20.80	19.72	.78	.95
Florida	28.17	15.71	15.28	.56	.97
Kentucky	25.58	16.90	16.20	.66	.96
Tennessee	31.69	23.76	23.62	.75	.99
Alabama	32.29	21.88	21.59	.68	.99
Mississippi	34.00	24.62	22.91	.72	.93
Arkansas	32.49	24.65	23.76	.76	.96
Louisiana	32.36	23.61	22.71	.73	.96
Oklahoma	23.58	15.91	15.35	.67	.97
Texas	22.19	16.52	16.17	.74	.98
Montana	26.20	17.26	16.96	.66	.98
Idaho	25.92	15.89	15.61	.61	.98
Wyoming	17.58	12.23	11.99	.70	.98
Colorado	18.79	13.02	12.65	.69	.97

continued

Table 3 (continued): Incidence of Poverty Among All Persons, By State, 1982

State	Pretransfer (1)	Prewelfare (2)	Posttransfer (3)	Ratio Col.(2)/(1) (4)	Ratio Col.(3)/(2) (5)
New Mexico	20.47%	23.05%	22.54%	.76	.98
Arizona	23.74	15.19	14.78	.64	.97
Utah	21.93	15.26	14.79	.64	.97
Nevada	14.78	8.28	7.81	.56	.94
Washington	21.37	13.76	12.87	.64	.94
Oregon	23.67	14.69	43.84	.62	.94
California	23.27	16.24	14.14	.70	.87
Alaska	14.68	11.87	10.64	.81	.90
Hawaii	18.37	13.46	13.18	.73	.98
Total U.S.	24.03	15.88	15.01	.66	.95

Source: Computations from March 1983 Current Population Survey.

ALTERNATIVE MEASURES OF THE RECENT RISE IN POVERTY*

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Introduction

Poverty as officially measured by the Census Bureau declined from 22.4 percent of all persons in 1959 to 11.1 percent in 1973, remained in the eleven to twelve percent range for the rest of the 1970's, and then increased to 13.0 percent in 1980, 14.0 percent in 1981, and 15.0 percent in 1982. While there are many valid criticisms of the official poverty series, the recent rise in poverty is not an artifact of the official measure. Poverty increased rapidly between 1978 and 1982 for each of the alternative poverty measures discussed here. In addition, while poverty has been increasing, the antipoverty impact of income transfers has been declining. This is because a smaller percentage of poor households are receiving transfers that have been declining in real terms.

Prepared for the U.S. House Committee on Ways and Means, Hearings before the Subcommittee on Oversight and the Subcommittee on Public Assistance and Unemployment Compensation, October 18, 1982.

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Alternative Measures of Poverty

The official measure of poverty provides a set of income cutoffs adjusted for household size, the age of the head of the household, and the number of children under age 18 (until 1981, sex of the head and farm-nonfarm residence were other distinctions). The cutoffs provide an absolute measure of poverty which specifies in dollar terms minimally decent levels of consumption. The official income concept - current money income received during the calendar year - is defined as the sum of money wages and salaries, net income from self-employment, Social Security income and cash transfers from other government programs, property income (e.g., interest, dividends, net rental income), and other forms of cash income (e.g., private pensions, alimony). Current money income does not include capital gains, imputed rents, government or private benefits in-kind (e.g., food stamps, Medicare benefits, employer-provided health insurance) nor does it subtract taxes, although all of these affect a household's level of consumption.

The official poverty cutoffs are updated yearly by an amount corresponding to the change in the Consumer Price Index so that they represent the same purchasing power each year. According to this absolute standard, poverty will be eliminated when the incomes of all households exceed the poverty lines, regardless of what is happening to average household income.

There have been numerous discussions over the past fifteen years as to whether the official poverty thresholds and income concept are relevant to policy choices (U.S. Department of Health, Education,

and Welfare, 1976). Despite these controversies, the adoption of an offical measure of poverty in the mid-1960s and its use as a social indicator became a symbol of this country's commitment to raising the standard of living of the poorest citizens.

Income poverty is a complex concept, and different types of poverty thresholds and income concepts are appropriate for different purposes. An absolute perspective, such as the official measure, focuses on those with incomes that fall short of a minimum (fixed) level of economic resources. On the other hand, relative poverty indicators emphasize not only the household's own level of resources, but how its position compares to that of others. A relative definition draws attention to the degree of inequality at the lower end of the income distribution. Those whose incomes fall well below the prevailing average in their society are regarded as poor, no matter what their absolute incomes may be. A relative poverty threshold, therefore, changes at about the same rate as average income.

The recent Census Bureau technical paper (1982) on the valuation of in-kind transfers addresses only the issue of augmenting the official income concept, not the issue of changing the current poverty thresholds. However, just as the valuation of in-kind transfers reduces measured poverty, the use of a relative poverty threshold during a period of rising real incomes, or an updating of the official thresholds, would increase measured poverty (e.g., see Fendler and Orshansky 1979).

Figure 1: A Matrix of Poverty Measures

	Income Concept:	
	Pretransfer Income	Posttransfer-Posttax Income
Absolute	I	II
Relative	III	IV

A matrix of poverty measures showing two income concepts and two types of poverty thresholds is presented in Figure 1. The official income concept lies somewhere between pretransfer income and posttransfer-posttax income on the first row. Census money income does not distinguish between income derived from market and private transfer sources (e.g., wages, dividends, alimony) and income derived from government sources (e.g., Social Security, Public Assistance income). As such, it fails to separate the private economy's antipoverty performance from the performance of government cash transfer programs. Households that do not receive enough money income from private sources to raise them over the poverty lines constitute the pretransfer poor (a more exact title would be pregovernment-transfer poor). Pretransfer poverty has received little attention, yet it reveals the magnitude of the problem faced by the public sector after the market economy and private transfer system (e.g., private pension, interfamily transfers) have distributed their rewards. This information is essential for analyzing the "trickle-down" effects of economic growth and for assessing the extent to which public transfer programs reduce poverty.

A related concept is prewelfare income. While pretransfer income does not count any money income from government programs, prewelfare income excludes only income from cash public assistance (i.e., welfare) programs. Social insurance benefits (e.g., Social Security, Unemployment Insurance) which are based on past earnings and tax contributions are included in prewelfare income along with private market income because they are generally perceived by the public as earned. For many, the "real" poverty population, the one to whom antipoverty policy should be addressed, is the prewelfare poor.

The valuation of in-kind transfers does move the Census closer to the concept of posttransfer-posttax income. This preferred measure could have been obtained if, in addition to adding in-kind government transfers received by the poor, the report had also added in-kind private transfers (e.g., fringe benefits) and subtracted direct taxes paid. Nonetheless, recent studies suggest that the report's results would not be significantly affected by these adjustments.

Table 1 presents seven different time series of the incidence of poverty for all persons for selected years between 1965 and 1982. Four series using the official poverty thresholds appear in the top panel, three series using a relative measure, in the bottom.

The relative measure is one developed by Robert Plotnick (Plotnick and Skidmore, 1975). In 1965, the first year for which detailed data are available, the relative poverty lines are set equal to the official (absolute) ones. (In 1965, the official lines

were equal to about 44 percent of the median income). In succeeding years the relative lines are changed at the same rate as the median income.[1] With this approach, trends in absolute and relative poverty are easily compared because they begin with the same base year value.

Consider first the four series in the top panel. Each shows that poverty declined over the 1976 to 1978 period and then increased rapidly in the 1978 to 1982 period. That the official data overstate poverty because of the failure to adjust for in-kind transfers can be seen by comparing columns three and four. Nonetheless, poverty adjusted for in-kind transfers is higher than at any point since the late 1960s. Also, column 1 shows that about a quarter of all persons in 1982 lived in households that did not receive market incomes high enough to take them out of poverty.

While the three series based on the official measure show a decline in the 1965-1978 period and then an increase, the three series based on the relative measure are more stable.[2] They show no significant declines for the early period, and smaller increases for the later period. Because the relative poverty line has been about ten to 15 percent above the official line, it shows more poverty in every year.

The Antipoverty Effectiveness of Transfers

Between 1965 and the mid-1970s, the growth in real expenditures for cash and in-kind transfers per recipient household far exceeded the real increase in per household income. This growth, a major

development in American social welfare policy, accounts for much of the observed declines in poverty over this period. Growth rates for transfers have slowed in recent years.

Table 2 measures the antipoverty effectiveness of major income transfer programs by the percentage of the pretransfer poor persons removed from absolute or relative poverty by transfers.[3] The table divides all government transfers into cash social insurance transfers, cash public assistance transfers, and in-kind transfers (whether social insurance or public assistance).

For each type of transfer and for each measure of poverty, public transfers became increasingly effective until 1978.[4] The fraction of absolute pretransfer poor households receiving a cash transfer payment rose from less than 70 percent in 1965 to over 80 percent in 1978 and declined slightly since then. The real value of recipients' transfers increased from 1965 to 1978, but declined thereafter. For example, the average cash transfer received by a pretransfer poor household declined by about five percent between 1978 and 1982, to about $6000. The decline was over ten percent for the same period for nonaged women heading households, to about $4400. As a result, transfers removed about 43 percent of the pretransfer poor from absolute poverty in 1965, over 70 percent in 1976, but less than 65 percent in 1982.

Cash social insurance transfers removed more persons from poverty in all years and for all measures than did cash public assistance transfers because a greater portion of the pretransfer poor receive them, and because the average social insurance benefit

is higher. In-kind transfers, which include benefits from both social insurance and public assistance programs, have a smaller antipoverty impact than cash social insurance, and a much larger impact than cash public assistance transfers.

Poverty Deficit

The incidence of poverty reveals the percentage of persons whose incomes fall below the poverty threshold, but does not distinguish the degree of poverty. The "poverty deficit," which measures the total amount of income required to bring every poor person up to the poverty threshold, does distinghish between poor persons who are very close to being nonpoor and those who are farther away from the thresholds. Table 3 shows the pretransfer (column 1) and posttransfer (column 3) poverty deficits in billions of current dollars for selected years between 1967 and 1982. Cash transfers received by the pretransfer poor are shown in column 2. The fourth column shows the percentage reduction in the poverty deficit due to these cash transfers. The fifth column shows the posttransfer poverty deficit as a percentage of GNP. The bottom panel shows the percentage growth in current dollars for these concepts.

Between 1967 and 1979, total cash transfers to the pretransfer poor grew faster than the pretransfer poverty deficit, so the posttransfer deficit grew more slowly. Between 1979 and 1982, the pretransfer deficit grew faster than did transfers. As a result, the posttransfer deficit grew more rapidly than the pretransfer deficit. This deficit declined from 1.29 percent of GNP in 1967 to

1.02 percent in 1979, and then increased rapidly until it was about 1.47 percent of GNP in 1982. The 1982 pretransfer poverty deficit of $114.9 billion means that the pretransfer income of the typical poor household is about $4540 below the poverty line; the posttransfer deficit of $45.3 billion means that the posttransfer poor are about $3200 below the line. These data reinforce the points made above, that poverty has been increasing and the antipoverty impact of transfers has been decreasing in recent years.

Demographic Differences

Table 4 highlights the differences in poverty levels and trends for several major demographic groups for the 1967-79 period. It also shows the effect of in-kind transfers on each group in 1979, the last year for which detailed data on the receipt of in-kind transfers are available. The largest reduction in poverty for the twelve year period, and the largest impact of in-kind transfers in 1979, are for elderly persons. For example, between 1967 and 1979 poverty declined by about 20 percent for all persons, but by about 50 percent for the elderly. And, in 1979, in-kind transfers reduced poverty for all persons by about 42 percent, but by almost 70 percent for the elderly. Adjusted poverty rates in 1979 for blacks, persons of Spanish origin, and female household heads remain above the official rates that existed for whites in 1967, when in-kind transfers had little impact.

Table 5 shows the composition of pretransfer poor households in column (1) and posttransfer poor households in column (2). Each

poor household has been placed into one of the eight categories shown. That the direct effects of economic growth on poverty for all persons are not large should not be surprising, as only about one third of those who are poor before the receipt of transfers can be expected to work. The remaining two thirds - the aged, female-headed households with children under six, students, and the disabled - are likely to remain dependent upon public programs.

A comparison between the pretransfer and posttransfer poor shows the relative success of cash transfers in relieving poverty among the aged who are about 43 percent of the pretransfer poor and only about 22 percent of the posttransfer poor. There are also significant differences in the composition of the poor by race. The major difference is that while 12.61 percent of all posttransfer poor households are headed by women with children under six, the corresponding percentage for blacks is 22.46 (data not shown).

Conclusion

Poverty, no matter how measured, has increased in recent years. In addition, while the antipoverty impacts of income transfers have declined, they still significantly reduce poverty. Transfers also protect against income losses due to unemployment, retirement, disability, and death, and guarantee access to minimum levels of food, shelter, and medical care. The growth in transfers has been accompanied by some declines in work effort and savings that may have contributed to sluggish economic performance, but the magnitude of these declines is estimated to be small (see Danziger, Haveman

and Plotnick, 1981). While reductions in poverty through increased market incomes has always been the primary stated goal of antipoverty policy, increased cash and in-kind transfers have been major factors in the reductions in poverty that have occurred in the past 15 years. If our projections of the effects of economic growth on poverty (Gottschalk and Danziger, 1983) are accurate, then further reductions in transfer benefits will lead to higher levels of poverty, however measured.

FOOTNOTES

1. The specifics of this measure are as follows. Each family's current money income is divided by its official poverty line. This yields a "welfare ratio" that indicates the fraction by which the family's income exceeds or falls below the official poverty line. Families with the same welfare ratio are assumed to be equally well-off. The relative poor are defined as those families with welfare ratios below .44 of the median ratio. The fraction .44 was not an arbitrary choice. In 1965, the base year for this analysis of changes in poverty, the median welfare ratio was 2.25. All living units with incomes below the official poverty lines had, of course, welfare ratios less than one. Thus, any household that in 1965 was poor under the official definition necessarily had a welfare ratio less than 1.00/2.25 of the median. Defining the relative poor as those with welfare ratios below 1.00/2.25 = .44 of the median yielded, in 1965, the same group of households as were poor from the absolute perspective.

2. The adjusted income data are not compared to the relative poverty line. Estimating in-kind income from private sources (e.g., fringe benefits) and taxes paid by the nonpoor poses measurement problems that have not yet been solved. Thus, we could not compute a relative measure based upon the median adjusted income.

3. The antipoverty impacts of seven cash and three in-kind transfer programs are assessed here. They are (1) Social Security and Railroad Retirement, (2) Medicare, (3) federal, state and local government employee pensions, (4) unemployment insurance, (5) worker's compensation, (6) veteran's compensation and pensions, (7) Supplemental Security Income, (8) public assistance (AFDC, AFDC-U, General Assistance and, prior to 1974, OAA, APTD, and AB), (9) Food Stamps, and Medicaid. While several in-kind transfer programs and all expenditures on public education have been omitted, Food Stamps, Medicare, and Medicaid alone account for over 80 percent of all federal in-kind transfers. For 1976, and the estimate for 1982, School Lunch and Public Housing benefits are also included.

4. Pretransfer income is calculated by subtracting government transfers from posttransfer income. While this definition assumes that transfers elicit no behavioral responses, transfers do induce labor supply reductions. As a result, recipients' net incomes are not increased by the full amount of the transfer and the pre/post comparisons made here will provide upper-bound estimates of the antipoverty effects of transfers.

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Table 1: The Trend in the Incidence of Poverty Among Persons, Selected Years 1965-1982

Type of Measure, Year	Pretransfer Income (1)	Prewelfare Income (2)	Posttransfer Income (Census Money Income) (3)	Adjusted Income[a] (4)
Official Measure				
1965	21.3%	16.3%	15.6%	12.1%
1968	18.2	13.6	12.8	9.9
1972	19.2	13.1	11.9	6.2
1974	20.3	13.1	11.6	7.2
1976	21.0	13.1	11.8	6.7
1978	20.2	12.6	11.4	n.a.
1979	20.5	12.9	11.7	6.1
1980	21.9	14.2	13.0	n.a.
1981	23.1	15.1	14.0	n.a.
1982	24.0	15.9	15.0	8.8[b]
% Change				
1965-1978[c]	-5.2	-22.7	-26.9	-49.6
1978-1982[c]	+18.8	+26.2	+31.6	+44.3
Relative Measure				
1965	21.3%	16.3%	15.6%	n.a.
1968	19.7	15.3	14.6	n.a.
1972	22.2	n.a.	15.7	n.a.
1974	22.9	16.1	14.9	n.a.
1976	24.1	16.3	15.4	n.a.
1978	23.9	16.5	15.5	n.a.
1979	23.8	16.6	15.7	n.a.
1980	24.5	16.9	16.0	n.a.
1981	25.5	17.8	16.9	n.a.
1982	26.5	18.5	17.8	n.a.
% Change				
1965-1978	+12.2	+1.2	-0.6	n.a.
1978-1982	+10.9	+12.1	+14.8	n.a.

Source: Unless noted otherwise, the data are computations by the author from the Survey of Economic Opportunity (for 1965) and various March Current Population Surveys (for other years).

[a]Adjusted income data are from Timothy Smeeding (1982).

[b]This is an estimate from Gottschalk and Danziger (1983).

[c]Percentage changes for adjusted income data are from 1965-1979 and 1979-1982.

n.a. - not available.

Table 2: The Antipoverty Effectiveness of Major Income Transfers, Selected Years, 1965-1982

Poverty Measure	Percentage of the Pretransfer Poor Persons Removed from Poverty by: Cash Social Insurance Transfers[a]	Cash Public Assistance Transfers[b]	In-Kind Transfers[c]	All Transfers
Absolute Measure				
1965	23.5%	3.3%	16.4%	43.2%
1976	37.6	6.2	28.1	71.9
1978	37.6	5.9	n.a.	n.a.
1980	35.2	8.5	n.a.	n.a.
1982	33.8	3.8	25.8[d]	63.3[d]
Relative Measure				
1965	23.5	3.3	n.a.	n.a.
1976	32.4	3.7	n.a.	n.a.
1978	31.0	4.2	n.a.	n.a.
1980	31.0	3.7	n.a.	n.a.
1982	30.2	2.6	n.a.	n.a.

[a]Cash social insurance transfers include social security, railroad retirement, unemployment compensation, workmen's compensation, government employee pensions, and veteran's pensions and compensation.

[b]Cash public assistance transfers include AFDC, SSI (OAA, APTD and AB in 1965), and general assistance.

[c]In-kind transfers include Medicare, Medicaid, Food Stamps, and, for 1976, School Lunch and Public Housing; this figure also adjusts for direct taxes and the underreporting of cash transfers.

[d]Based on estimate for adjusted income poverty 1982.

n.a. - not available

Table 3: Poverty Deficit Before and After Cash Transfers, Selected Years, 1967-1982

Year	Pretransfer Poverty Deficit[a] (1)	Cash Transfers Received by Pretransfer Poor Households[a] (2)	Posttransfer Poverty Deficit[a] (3)	Percentage Reduction in Poverty Deficit Due to Cash Transfers (4)	Posttransfer Poverty Deficit as a Percentage of GNP (5)
1967	$22.6	$17.5	$10.0	55.5%	1.29
1974	45.0	57.3	15.1	66.4	1.04
1979	70.5	80.0	23.9	66.0	1.02
1980	88.9	95.9	31.4	64.6	1.22
1981	104.1	109.0	39.3	62.2	1.37
1982	114.9	118.1	45.3	60.5	1.47
% Increase					
1979/1967[b]	211.9	357.1	139.0	---	---
1982/1979[c]	63.0	47.6	89.5	---	---

Source: Computations by author from various March Current Population Survey data tapes.

[a]Billions of current dollars.

[b]Between 1967 and 1979, the Consumer Price Index increased by 117 percent.

[c]Between 1979 and 1982, the Consumer Price Index increased by 33 percent.

Table 4: Alternative Measures of the Incidence of Poverty: Offical Measure for 1967 and 1979 and Money Income Plus the Market Value of In-Kind Transfers for 1979

Persons Living in Poverty, by Type of Household Head	Official Measure 1967 (1)	Official Measure 1979 (2)	Percentage Decline in Poverty between 1967 and 1979 (3)	Money Income Plus In-Kind Transfers at Market Value 1979[a] (4)	Percentage Decline In Poverty Due to In-Kind Transfers, 1979 (5)
All Persons	14.2%	11.1%	21.8%	6.4%	42.3%
White	11.0	8.5	22.7	5.2	38.8
Black	39.3	30.4	22.6	15.1	50.3
Hispanic	n.a.	21.4	n.a.	12.0	43.9
Female Householder, No Husband Present	40.6	34.8	14.3	17.6	49.4
Elderly (65 and over)	29.5	14.7	50.1	4.5	69.4

Sources: For 1979, U.S. Bureau of the Census, Alternative Methods for Valuing Selected In-Kind Transfer Benefits and Measuring Their Effects on Poverty, Technical Paper #50 (Washington, D.C.: U.S. Government Printing Office, 1982). For 1967, U.S. Bureau of the Census, Money Income and Poverty Status of Families and Persons in the United States: 1982, Series P-60, No. 140 (Washington, D.C.: U.S. Government Printing Office, 1983).

[a]In-kind transfers for food, housing and medical benefits.

n.a. - not available

Table 5: Composition of Households with Incomes Below the Poverty Line, Official Measure, 1982

Percentage of Poor Households Where head is:	Pretransfer Poor (1)	Posttransfer Poor (2)
Over 65 years of age	43.31%	22.01%
Female, with children under six	7.74	12.61
Student	4.08	6.56
Disabled	10.01	11.09
Persons working full-time, full year	8.51	13.07
Single persons working less than full-time, full-year	10.52	14.78
Male family head, working less than full-time, full-year	10.31	11.95
Female family head, no children under six, working less than full-time, full-year	5.54	7.92
Total	100.00	100.00
Number of households millions	25.3	14.2

Source: Computations by author from March 1983 Current Population Survey data tape.

Note: Classification is mutually exclusive and is hierarchical: Any household head who fits in more than one category has been classified only in the one closest to the top of the table.

POVERTY AMONG MINORITIES IN WISCONSIN

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Nearly nine percent of Wisconsinites were below the poverty level in 1979. This amounted to about 400,000 persons statewide. Of that 400,000, about 74,000 were either black, American Indian, Asian and Pacific islanders, or of Spanish origin. Thus, it appears that only a small number of Wisconsin's "minority" peoples were below poverty. However, these groups accounted for 20 percent of those below poverty, while they comprise only 6.5 percent of the population. Poverty rates among minority groups were 29 percent for blacks, 23 percent for American Indians, 21 percent for Asian and Pacific islanders, and 19 percent for hispanics, compared with less than nine percent for the population as a whole.

This paper examines poverty among minority groups in Wisconsin, as of the 1980 Census. It starts with a look at the distribution of poverty across the State for both the total population and minorities. Next, detailed measures of poverty are presented for minorities and the total population to show some of the sources of the differentials among groups. As a crude attempt to trace the causes of these differentials, several measures of socioeconomic status are presented for the groups. Finally, some estimate of trends over time is made.

County Poverty Levels

Table 1 and Figures 1 through 6 show poverty rates for the total population and the four minority groups. In Figure 1, for the total population, it is clear that the lowest rates of poverty occur in the predominantly metropolitan southeastern third of the State. County poverty rates in this area are mostly below 7.5 percent, with the exception of Brown, Dane, and Walworth counties, which are below ten percent, and Milwaukee county, which is slightly above ten percent. The highest rates of poverty in the State occur in the predominantly rural northern and western counties. Several counties - Menominee, Forest, Clark, Sawyer, Burnett, and Dunn - have over 15 percent of their populations below poverty. Dunn, with the dominant presence of the University of Wisconsin-Stout, is something of a special case. In addition to being fairly rural, it has the effect of college students who live off campus with relatively low incomes. While such students are usually not in dire need, they do show up in the poverty population of any county with a substantial college population.

In Figure 7, a somewhat different picture emerges. If the number of people below poverty is considered, instead of the rate, urban counties clearly have a higher concentration of poverty. The four counties which fall into the highest category of number below poverty account for 40 percent of the poverty population, or 150,000 people. Milwaukee alone accounts for 96,000 poor, while Dane has 29,000 (a student effect there, too), Brown has 13,000, and Racine 12,000. If the top ten counties in number of poor are combined,

they account for half of the State's poverty population. Outside the metropolitan southeast, there are six counties in north-central Wisconsin, along with La Crosse and Grant counties, with over 5,000 poor.

Wisconsin poverty rates for the total population do not differ much from those of the nation, where relatively high rates of poverty are found in rural areas, little poverty in the suburbs of large cities, and high rates in the central cities. In terms of absolute numbers, however, poverty is much more of an urban phenomenon.

Next, the distribution of minority poor populations across the State's counties will be considered, and distinct patterns will be apparent for each group. For each minority group, only those counties with more than 400 of that group will be considered. For purposes of identifying poor populations, even 400 people is a very small group to consider since poverty is measured only for a sample of between 16 and 50 percent of households. Some counties with potential sample variation problems will be mentioned below. Note that the shading categories for the minority maps have had to be changed from the range of under 7.5 percent below poverty to 12.5 percent or over for the total population in Figure 1, to categories which increment by ten, from under ten percent to 30 percent or over, since minority poverty rates are so much higher than those of the total population.

Figure 3 shows the black population of the State, which is highly concentrated in the five counties with the most dense

shading. There are about 177,000 blacks in Wisconsin, and 51,000 of them are below the poverty level, for a poverty rate of 29 percent. First among the counties is Milwaukee, with a poverty rate of virtually 30 percent, and 80 percent of the State's blacks below poverty. Dane county also has a black poverty rate of about 30 percent, while Racine, Kenosha, and Rock counties are between 20 and 25 percent. Waukesha and Ozaukee counties both have small, relatively prosperous black populations, with poverty rates below five percent. These small populations are likely to yield unreliable sample estimates. Overall, the black population is highly concentrated in a few counties, and has very high poverty rates.

The next largest minority population in Wisconsin is the Spanish origin group. This group can be of any race, but generally about 60 percent report themselves as white, and 40 percent as "other" race. There are 63,000 Spanish origin people in the State, and 11,000 of them are below the poverty level, for a poverty rate of about 21 percent. The Spanish origin population represents a mix of fairly recent migrants who are still trying to establish themselves economically, and some well-established groups who have been in the United States for several generations. It should also be noted that these data do not reflect the influx of Cubans to the State and nation, as that occurred just after the census was taken. About half of all hispanics in the State live in Milwaukee county, and their poverty rate is the same as that for the State, 21 percent (see Figure 4). Another 30 percent of hispanics live in Dane,

Racine, Kenosha, Walworth, Waukesha, and Sheboygan counties. Dane, Racine, Kenosha, and Walworth counties have poverty rates of about 20 percent. Waukesha's suburban population has a poverty rate of under seven percent. Of the other counties shown on the map, all have relatively small populations of hispanics, some of which represent "settled out" migrant workers.

Another highly urbanized group is the Asian and Pacific population. There is variation in their poverty rates for the same reasons which apply to hispanics. The Asian and Pacific population is a mixture of all peoples from Asia and any Pacific Ocean island. Among these groups are Japanese and Chinese, who are entrenched, highly integrated, and highly educated, and recent Southeast Asian immigrants who often have just the opposite characteristics, with associated high poverty rates. Thus, the poverty rate which is shown in overall Asian and Pacific measures represents an average of groups with both high and low rates of poverty. As was the case with the Cuban influx after the census, many of the Southeast Asian refugees who are in Wisconsin today were not here on census day.

As of 1980, there were 21,000 Asian and Pacific islanders in the State, and 4,500 of them were below the poverty level, yielding a poverty rate of 21 percent. Figure 5 shows a range from very low poverty rates in suburban Waukesha county to the 39 percent rate for Brown county. Unlike blacks, the Asian population is spread throughout the major metropolitan areas of the Southeast. However, Milwaukee and Dane counties still account for 55 percent of poor Asians.

American Indians, as shown in Figure 6, are split between urban counties and rural ones which have reservations or other significant settlements. They are the largest minority group in northern Wisconsin, although about 40 percent of their 29,000 total population live in major metropolitan areas. Poverty rates in four of the reservation counties are above 30 percent, reaching 40 percent in Forest county. Most other counties with over 400 American Indians have poverty rates above 20 percent, with the exception of suburban Waukesha county, metropolitan Dane and Outagamie counties, and Shawano county.

Overall, the distribution of minorities below the poverty level is predominantly urban and metropolitan, except in the case of indian reservation counties, and some counties with settled out hispanic migrant workers. This is not surprising, since the vast majority of Wisconsin minority people live in urban areas.

In order to discover what is behind the disproportionate levels of poverty among Wisconsin minorities, poverty will be measured next for several specific sub-groups of the total population and minorities.

Detailed Poverty Measures

Not only is poverty concentrated among minorities in Wisconsin, but there are specific groups within minorities who suffer even higher rates. Table 2 shows measures which apply to these groups.

The most basic measure in Table 2 appears at the bottom of the table - the percent of persons below various specified poverty

levels. Poverty is determined for each family or unrelated individual according to how their income compares to an income threshold specific to their type and size of household. Those who are below their poverty threshold appear in the category with the asterisk "Below 100 Percent" of the poverty level. Increasing or decreasing the income thresholds by specified amounts yields the other categories shown.

Those below 75 percent of poverty could be construed as the very poor. At this level are found only five percent of the total population, compared with 17 percent of blacks and Asians, 14 percent of indians, and twelve percent of hispanics. Doubling the poverty thresholds yields the "Below 200 percent" category. Only a quarter of the total population has incomes below this level, but over one half of blacks, nearly 60 percent of indians, and about 40 percent of Asians and hispanics are below these thresholds. Blacks, therefore, have a significant proportion of very poor. In addition, fewer than half of all blacks are above twice poverty. Indians, while they have a lower proportion of the very poor, have only 40 percent of their population above twice poverty. Asian and Pacifics, and hispanics, reflect the diversity of their groups mentioned above, with both significant proportions of very poor, and higher proportions who are above twice poverty.

Poverty rates for families are shown in the top panel of Table 2, along with the mean deficit below poverty. Families, as defined by the census, are any group of two or more people who are related and living in a household. People who are living alone, or with

nonrelatives, are referred to as unrelated individuals. Family poverty patterns by race are about the same as those for the total population, except a little lower. This is due to the higher likelihood that a family grouping will have at least one person in the labor force.

The mean deficit figures for families measure just how far a family is below its poverty threshold income, on average. For the total population, this deficit is about $2,800. Most groups are near that figure, with the exception of Asian and Pacifics. Their deficit for families who are below poverty is $4,700. Thus, most of the Asian and Pacific poor are very poor; indeed the bottom panel of the table reflects this, since 17 of the 21 percent of those below poverty are below 75 percent of their threshold. Blacks also have a high proportion who are very poor, and, given their greater numbers, they account for the majority of the very poor. However, they also have a significant proportion of their population (eleven percent) between 75 and 100 percent of poverty, thus reducing the average income deficit of all blacks below poverty.

The feminization of poverty is the topic of another paper in this collection, however, it is so important for poverty patterns by race that it bears mention here. The second panel of Table 2 shows poverty rates of female-headed families. Over one quarter of all female-headed families are below poverty, a rate which is not small. However, for all minority groups except Asians, the rate approaches one half! Most of the families which are female-headed have children, as the next line shows. Of those with children, the

poverty rate is 35 percent for the total population, 44 percent for Asians, and over 50 percent for all the other groups.

For blacks, these patterns are of particular significance. Over 30 percent of the female-headed families below poverty in Wisconsin are black families, although the State is only 3.8 percent black. Thus, blacks account for eight times the number of female-headed poor families than they would if their patterns were the same as the total population. Of black families below poverty with children, over 80 percent of them are headed by women. Among other minorities, particularly Asians and hispanics, female-headed families account for many fewer of those below poverty.

Another significant group to examine when considering poverty is children. The feminization of poverty has been accompanied to a large extent by increases in the poverty of children. Presumably, growing up in a family which has an income below poverty will limit the opportunities which children have. The next panel of Table 2 shows poverty status of all children in families, regardless of the sex of the family head. Children of minority families are below the poverty level at two to four times the rate of all children in Wisconsin. About 20 percent of hispanic and Asian children are below poverty, 27 percent of indians, and nearly 40 percent of blacks.

The final group to be considered is the somewhat amorphous unrelated individuals. This group is comprised largely of elderly people, many of them widows, but also includes young people who either live alone, with roommates, or cohabit. Poverty rates for

these groups are generally higher than those of the total population, for several reasons. First, fewer of the elderly have income from jobs, although increases in several transfer payment programs have pushed many elderly from below to above poverty thresholds. Second, the young unrelated individuals are often college students living off campus with apparently low incomes. Finally, the young who are in the labor force are subject to higher rates of unemployment and lower levels of pay than others. For the total population and all minority groups but blacks, Table 7 shows that unrelated individuals in the State do have higher poverty rates than families.

While these measures have yielded some insight into the roots of poverty among minorities, particularly those related with family structure, the causes likely lie elsewhere. The next section will explore causes in simple terms of the comparative socioeconomic status of minorities and the total population.

Socioeconomic Status

The three basic measures of socioeconomic status are income, occupation, and education. For the measurement of poverty, income which often results from the other two, is important. Table 3 shows income of households, which, like poverty status, reflects the 1979 income of those who lived in the State as of April 1980. The lowest median income (i.e., the income which represents the middle case) among these groups accrues to indians and blacks at about $12,400. Asians and hispanics, again probably reflecting their mixed

composition, had somewhat higher medians, at about $15,000. These compare with the median for the total population of about $18,000. Mean, or average, incomes reflect the same patterns.

It is at the low and high end of the income distributions that differences are most apparent. Eleven percent of all households have incomes below $5,000, while about 20 percent of blacks, indians, and Asians have incomes below that level, along with 14 percent of hispanics. About one quarter of all households have incomes below $10,000, compared with 40 percent of blacks, indians and Asians. At the high end of the scale, above $50,000, four percent of all households are found, compared with only two percent of blacks and one percent of indians. The diverse Asians and hispanics are again obvious with their high proportions at this income level, with Asians exceeding the level of the total population.

Next to be considered is labor force status, in Table 4. The most basic measure is the proportion of the groups in the labor force, that is, those who have a job or are actively seeking one. About 65 percent of the total population, and hispanics, are in the labor force, along with about 60 percent of the other groups, which is not a large difference. Significant differences occur when unemployment rates for census week are examined, reflecting the proportion of those in the labor force who do not have jobs. For the total population, this rate is under seven percent; it is over double that for blacks and indians, and eleven percent for hispanics. Asians are lower than the total population. When the

proportion experiencing any unemployment in the previous year is examined, the comparisons are similarly stark. A quarter of hispanics, 30 percent of blacks and over 35 percent of indians who were in the labor force experienced some unemployment in 1979. When these groups experienced unemployment, it was for a longer duration than for the total population. With one third of their labor force experiencing unemployment which lasted an average of four months, it is not surprising that many blacks and indians are poor.

Occupation, the lower panel of Table 4, reflects a similar lack of opportunity for those who were actually working at census time. Low proportions of minority groups (except Asians) are in the highly-paid professional and managerial occupations, and high proportions are in the lower-paid operator, fabricator, and laborer occupations.

Table 5 shows the final socioeconomic status dimension through three measures of education - percent high school graduates, median education, and dropout rates. In terms of completing high school, all groups but Asians are behind the level of the total population. Hispanics, who include many recent migrants, have about 45 percent high school completion, and blacks and indians have about 55 percent, well behind the total population level of 70 percent. Median years of education reflect similar differentials. While education levels are rising for minorities due to the higher proportion of young people finishing high school and their relatively young age structure, median levels still lag behind the total population. Also, the problem of school dropouts is still

very real, despite rising averages. The lower panel of table 5 shows that 20 to 25 percent of blacks, indians, and hispanics between age 16 and 19 are not enrolled in school, and do not have a high school diploma.

Across measures of socioeconomic status, therefore, it is obvious that there are significant hurdles for minorities to clear before eliminating differences in poverty. In terms of income, labor force participation, unemployment, occupation, and education there are significant differences between Wisconsin minorities and the rest of the State's population. The one exception to these patterns occurs among Asian and Pacific islanders, many of whom enjoy relatively high socioeconomic status, but many others of whom are not similarly advantaged.

These factors, together with family structure differentials, contribute much to the observed differences in poverty levels. The last question to be asked is whether there is improvement or degradation in the status of these groups compared to the total population over time. That is, is poverty getting better or worse for minorities?

Trends Over Time

Trend data can be examined only for blacks and indians due to changing definitions of the other groups between the 1970 and 1980 censuses. As Sheldon Danziger's paper (Alternative Measures of the Recent Rise in Poverty) indicates, poverty rates went down from 1970 to 1978, and turned up since that time. Given that this analysis is limited to the 1970 and 1980 censuses, the observed trend over that

ten-year period is downward. According to official statistics, Indians did share in that reduction in poverty rates. Among blacks, however, poverty went up. In 1970, 24.4 percent of black families were below poverty; in 1980 that figure had risen to 27.6. While the rate of poverty among both female-and male-headed black families went down slightly, the number of female-headed families increased tremendously, as did the number of such families below the poverty level, causing the overall rise.

Another way to measure the progress of all black families is to compare their median incomes with that of Wisconsin's total population over the past 20 years. In 1960, nonwhite (mainly black) median family income was 78 percent of the total median income; in 1970 the comparable figure was 75 percent, and by 1980 it had dropped to 64 percent. This figure is also affected by changing family structure, but it is nonetheless significant since these are the conditions under which blacks in Wisconsin live. Thus, there has been very little progress toward equality for blacks as measured by poverty or median income.

It is clear that there is a concentration of poverty among minorities in Wisconsin. This concentration occurs at three times the rate that would be expected if all groups experienced the same rates as the total population. In the case of some significant subgroups of the population, such as female-headed black families, the concentration occurs at fully eight times the rate extant among the total population. With such differences, it is not surprising that there has been little progress toward reduction of poverty among minorities in the state.

Figure 1: Percent Below Poverty Level, Total Population, 1979

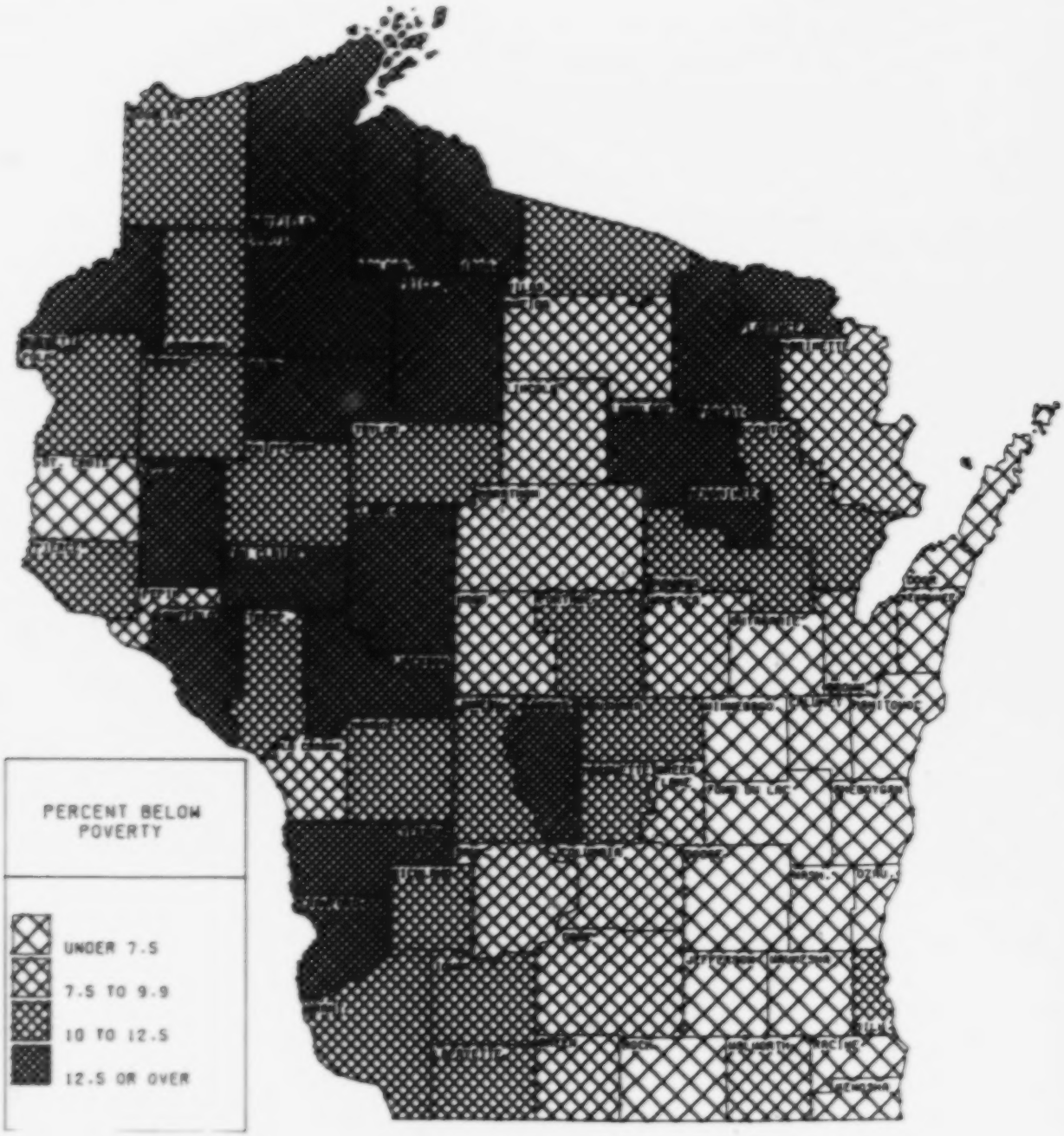

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Figure 2: Number Below Poverty Level, Total Population, 1979

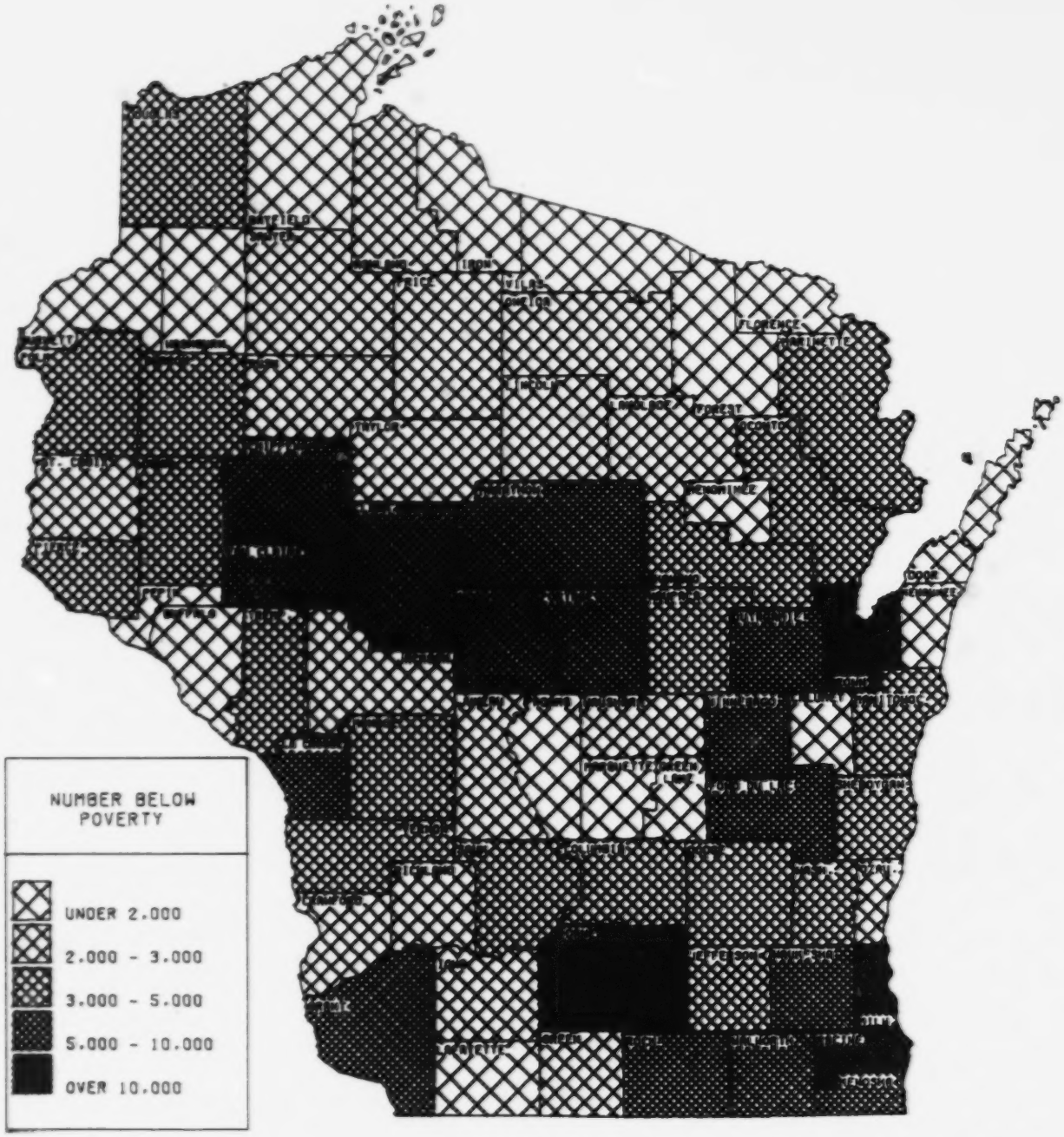

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Figure 3: Percent Below Poverty Level, Black Population, 1979

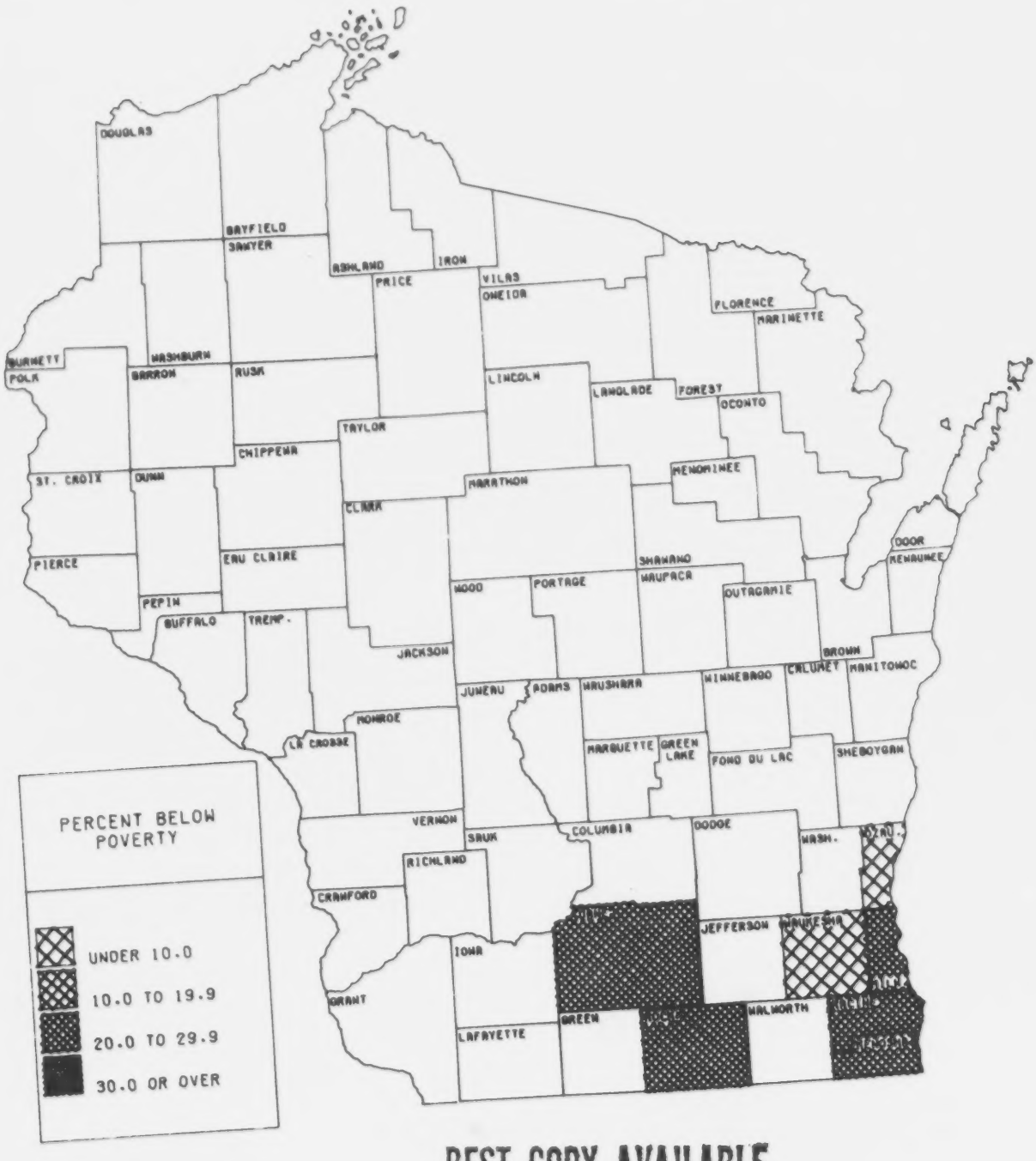

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Figure 4: Percent Below Poverty Level, Spanish Origin Population, 1979

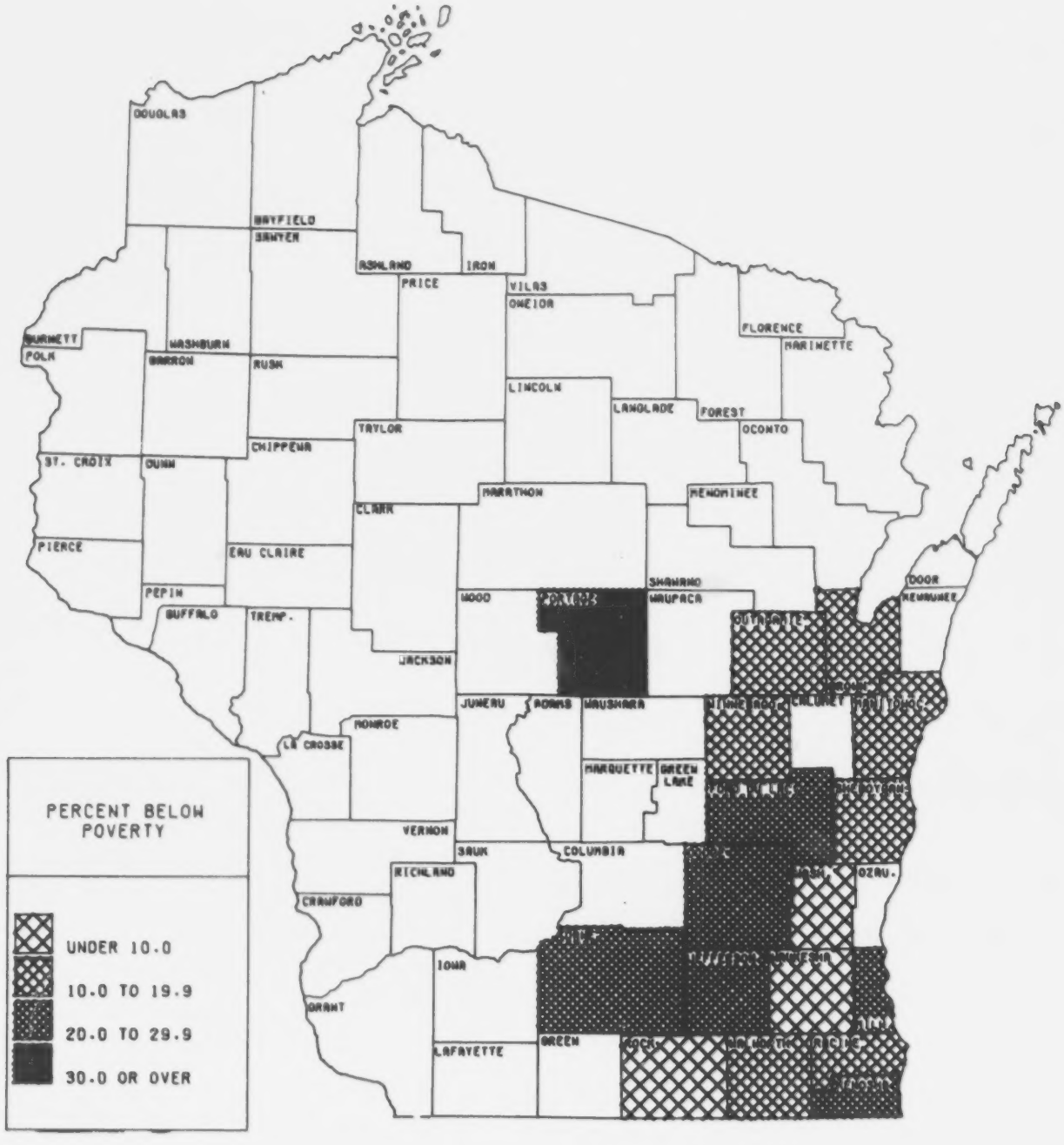

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Figure 5: Percent Below Poverty Level, Asian and Pacific, 1979

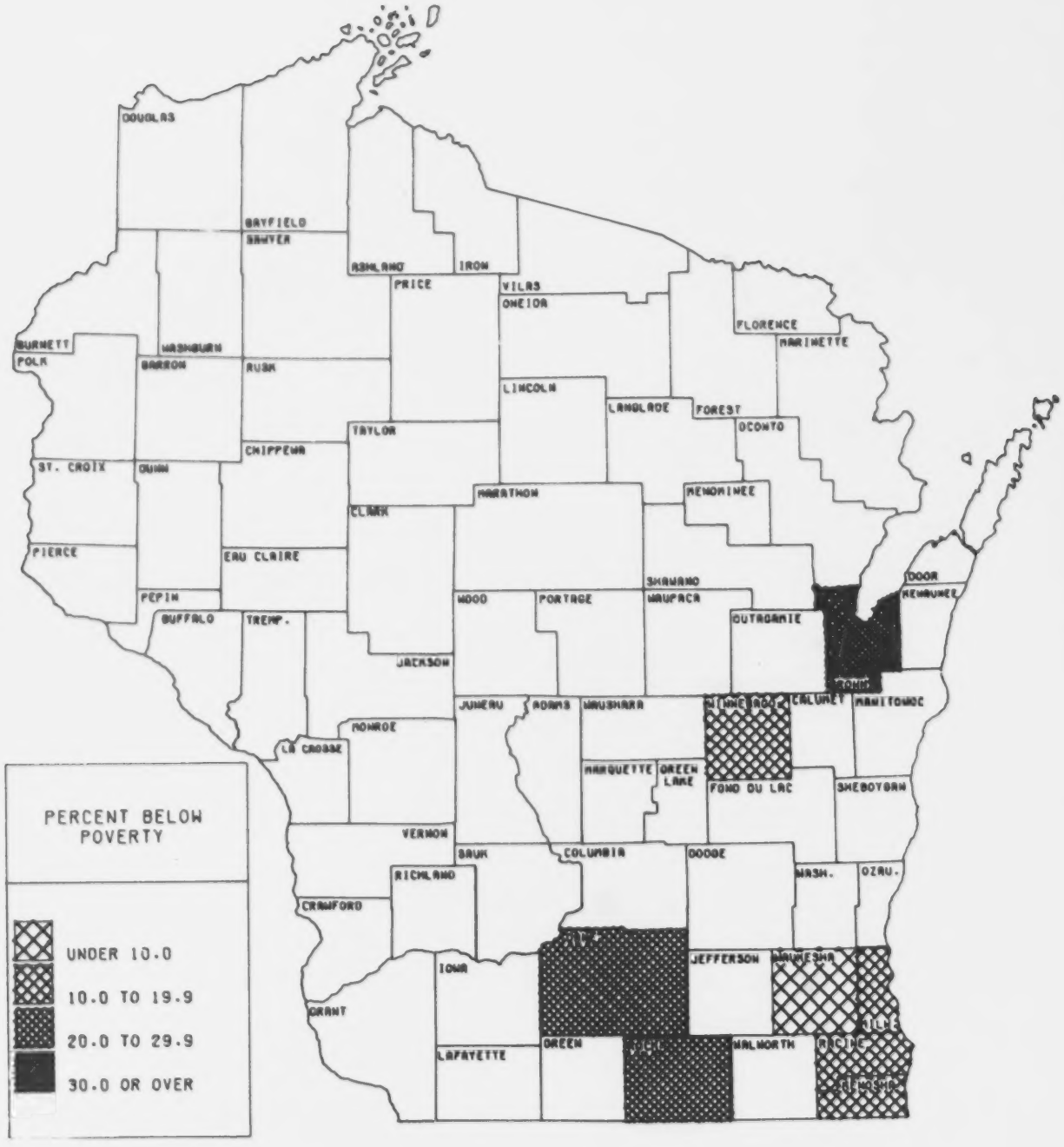

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Figure 6: Percent Below Poverty Level, American Indians, 1979

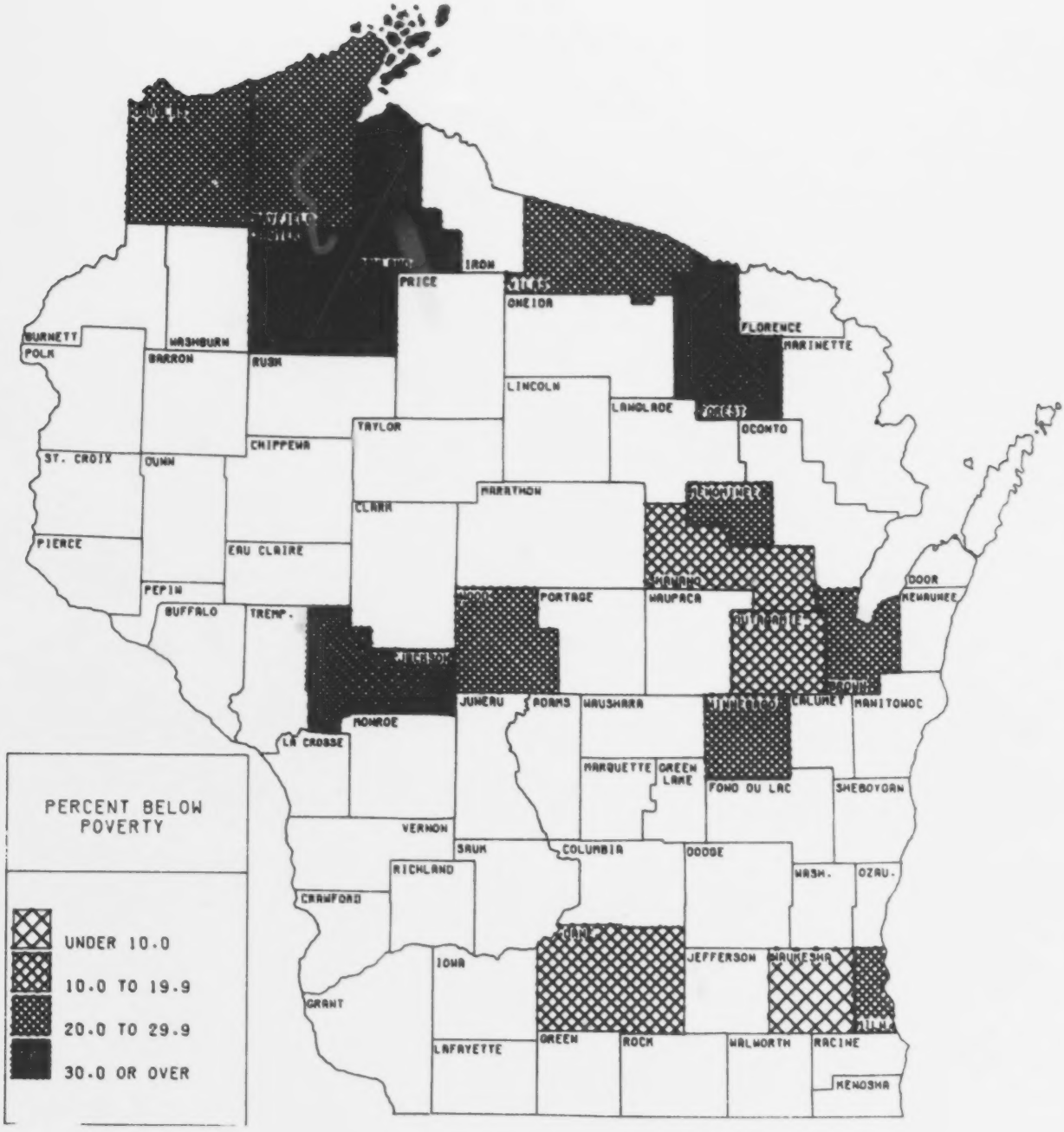

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Table 1: Percent of Persons Below Poverty, Wisconsin, 1979

County	Total	Black	Indian	Asian & Pacific	Spanish Origin
Adams	12.9				
Ashland	12.6		31.8		
Barron	11.9				
Bayfield	13.9		21.9		
Brown	7.5		29.8	39.9	14.0
Buffalo	13.5				
Burnett	15.6				
Calumet	4.3				
Chippewa	10.2				
Clark	16.2				
Columbia	7.8				
Crawford	14.2				
Dane	9.7	29.8	19.8	29.6	25.3
Dodge	6.1				20.9
Door	6.9				
Douglas	10.0		26.7		
Dunn	15.8				
Eau Claire	12.9				
Florence	13.8				
Fond du Lac	6.7				23.7
Forest	17.0		41.3		
Grant	12.3				
Green	9.1				
Green Lake	8.5				
Iowa	11.8				
Iron	13.9				
Jackson	13.6		31.3		
Jefferson	6.5				20.8
Juneau	11.6				
Kenosha	7.0	25.8		10.7	21.6
Kewaunee	7.4				
La Crosse	9.9				
Lafayette	11.4				
Langlade	13.2				
Lincoln	9.3				

continued

Table 1 (continued): Percent of Persons Below Poverty, Wisconsin, 1979

County	Total	Black	Indian	Asian & Pacific	Spanish Origin
Manitowoc	5.9				11.1
Marathon	8.1				
Marinette	9.0				
Marquette	11.9				
Menomonie	17.9		20.0		
Milwaukee	10.2	29.7	22.2	18.0	20.6
Monroe	10.1				
Oconto	11.1				
Oneida	8.7				
Outagamie	6.2		13.9		16.2
Ozaukee	3.3	4.3			
Pepin	9.7				
Pierce	11.2				
Polk	10.7				
Portage	11.2				41.3
Price	13.7				
Racine	7.0	24.4		14.5	19.5
Richland	11.8				
Rock	7.2	21.7		20.2	9.7
Rusk	14.2				
St. Croix	6.5				
Sauk	9.4				
Sawyer	16.2		30.5		
Shawano	10.7		18.4		
Sheboygan	4.9				14.4
Taylor	11.6				
Trempealeau	12.1				
Vernon	13.7				
Vilas	11.8		24.4		
Walworth	8.2				18.8
Washburn	12.4				
Washington	4.6				7.4
Waukesha	3.1	0.5	3.6	7.9	6.5
Waupaca	8.7				
Waushara	11.4				
Winnebago	6.7		21.1	17.1	13.1
Wood	7.6		24.0		

Source: 1980 Census of Population, PC80-1-C51, General Social and Economic Characteristics, Wisconsin.

Table 2: Poverty Status, Wisconsin, 1979

Poverty Status	Total	Black	Indian	Asian & Pacific	Spanish Origin
Families Below Poverty Level					
Number	77,140	11,532	1,398	774	2,183
Poverty Rate	6.3%	27.6%	22.3%	18.4%	17.0%
Mean Family Income Deficit (to Pov. Level)	$2,794	$3,009	$2,668	$4,700	$3,024
Female Headed Families Below Poverty Level					
Number	33,423	9,502	832	182	1,184
Poverty Rate	25.1%	47.6%	45.7%	34.9%	48.9%
With Children Under 18					
Number	31,266	9,271	819	167	1,144
Poverty Rate	35.2%	52.5%	51.0%	43.5%	53.1%
Related Children Under 18 Below Poverty Level					
Number	139,418	29,057	3,424	1,558	6,053
Poverty Rate	10.4%	38.9%	27.1%	20.8%	22.1%
Unrelated Individuals Below Poverty Level					
Number	12,655	5,824	1,251	1,169	1,980
Poverty Rate	22%	27%	38%	40%	34%
Persons Below Poverty Level					
Number	397,813	51,018	6,896	4,455	11,494
Poverty Rate	8.7%	28.8%	23.2%	20.8%	18.8%
Percent of Persons Below Specified Poverty Level					
Below 75 Percent	5.3%	17.6%	13.8%	17.0%	11.9%
Below 100 Percent*	8.7%	28.8%	23.2%	20.8%	18.8%
Below 150 Percent	16.9%	42.4%	40.5%	30.4%	31.3%
Below 200 Percent	26.7%	53.2%	58.2%	38.9%	45.1%

Source: 1980 Census of Population, PC80-1-C51, General Social and Economic Characteristics, Wisconsin.

Table 3: Household Income, Wisconsin, 1979

	Total		Black		Indian		Asian & Pacific		Spanish Origin	
Income	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Households	1,654,777	100%	56,605	100%	8,053	100%	5,939	100%	16,015	100%
Less than $5,000	181,943	11.0	11,917	21.1	1,472	18.3	1,143	19.2	2,176	13.6
$5,000 to $7,499	132,773	8.0	6,676	11.8	968	12.0	607	10.2	1,387	8.7
$7,500 to $9,999	126,247	7.6	5,275	9.3	770	9.6	418	7.0	1,499	9.4
$10,000 to $14,999	248,555	15.0	8,807	15.6	1,494	18.6	810	13.6	2,728	17.0
$15,000 to $19,999	249,541	15.1	7,245	12.8	1,279	15.9	615	10.4	2,523	15.8
$20,000 to $24,999	230,489	13.9	5,738	10.1	773	9.6	601	10.1	2,199	13.7
$25,000 to $34,999	284,956	17.2	6,564	11.6	878	10.9	795	13.4	2,127	13.3
$35,000 to $49,999	136,771	8.3	3,411	6.0	313	3.9	499	8.4	998	6.2
$50,000 or more	63,502	3.8	972	1.7	88	1.1	451	7.6	378	2.4
Median Income	$17,680		$12,402		$12,372		$14,943		$15,382	
Mean Income	$20,382		$15,525		$14,652		$21,653		$17,797	

Source: 1980 Census of Population, PC80-1-51, General Social and Economic Characteristics, Wisconsin.

Table 4: Labor Force Status, Wisconsin, 1979 and 1980

Labor Force	Total	Black	Indian	Asian & Pacific	Spanish Origin
Number in Labor Force	2,266,079	70,948	11,148	8,895	24,533
Labor Force Participation Rate	64.2%	61.6%	58.5%	59.0%	65.6%
Unemployment Rate	6.6%	13.9%	16.1%	6.3%	10.9%
Percent of Labor Force With Any Unemployment in 1979	17.0%	29.0%	36.3%	15.9%	25.5%
Mean Weeks Unemployed	12.3	17.8	18.1	13.9	13.6
Occupation					
Employed Persons 16 and Over	2,114,473	60,941	9,344	8,321	21,781
Managerial and Professional	20.1%	12.4%	13.4%	36.1%	12.8%
Technical, Sales, and Admin. Support	27.4%	22.2%	20.0%	25.1%	20.8%
Service	14.1%	21.7%	21.0%	16.6%	14.6%
Farming, Foresty, Fishing	5.5%	0.4%	3.6%	1.3%	1.6%
Precision Production Craft, Repair	12.1%	8.1%	12.6%	5.1%	10.8%
Operators, Fabricators, Laborers	20.9%	35.2%	29.5%	15.8%	39.4%

Source: 1980 Census of Population, PC80-1-C51, General Social and Economic Characteristics, Wisconsin.

Table 5: Educational Status, Wisconsin, 1980

Education	Total	Black	Indian	Asian & Pacific	Spanish Origin
Those Age 25 and Over					
Percent High School Graduates	69.6%	54.4%	54.0%	75.4%	45.9%
Median School Years Completed	12.5	12.1	12.1	14.7	11.2
Those Age 16-19 High School Dropouts					
Number	35,993	3,705	812	141	1,459
Percent	9.5%	21.6%	27.5%	10.3%	25.4%

Source: 1980 Census of Population, PC80-1-C51, General Social and Economic Characteristics, Wisconsin.

FEMALE-HEADED FAMILIES IN POVERTY IN WISCONSIN

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In early 1978 an article by Diana Pearce appeared in the Urban and Social Change Review entitled "The Feminization of Poverty."[1] She chose this phrase based on such startling facts as: two out of three poor adults were women, and families with female heads had a poverty rate six times that of male-headed families. These facts pointed out that poverty was becoming more and more a female-oriented issue.

How does Wisconsin fit that pattern? What do we know about its women in poverty? What is being done for these women?

The Feminization of Poverty in Wisconsin

In Wisconsin in 1980 families headed by women represented eleven percent of all families and 13 percent of all families with children less than 18, yet they comprised over 43 percent of all families in poverty and 53 percent of all families with children in poverty. In addition, the number of these families in Wisconsin grew rapidly between 1970 and 1980. Whereas there was a 13 percent increase in the number of all families, there was a 48 percent increase in those headed by women. And while there was a drop in the total number of all families in poverty, there was a 42 percent increase in the number of poor female-headed families.

This increase in the number of poor female-headed families is by and large a result of the increasing number of female-headed families in general, since their poverty rate in both 1970 and 1980 was almost constant, at about 25 percent.[2] During this same period, however, the rates for non-female-headed families dropped from 5.7 to 4.0 percent. Thus, the poverty rates for female-headed families in Wisconsin is still over six times that of male-headed families.

The growth in the number of these families, and their disproportionate representation among the poor, points out that Wisconsin also faces the issue of the feminization of poverty.

Who Are These Women in Poverty?

For the most part, when poverty among women is the topic of discussion, most of the focus is on female-headed families with children. While this group is the most over-represented among the poor, female-headed households without children make up a significant proportion of the poverty population. Figure 1 presents the incidence of poverty for all female-headed households, categorized by presence of children and age of the head. (It should be noted that there are both family and non-family households included in these numbers. By Census definition, a family is a household which contains at least two related individuals. Thus, women who live alone or with unrelated others are not considered families, but would be included in the number of households without children.)

As can be seen from Figure 1, women without children have poverty rates of 17 percent, less than half that of women with children. The greatest percentage of women heading households without children are aged. The incidence of poverty for this group has been steadily dropping. Furthermore, when we consider the large share of government in-kind transfers which are not counted in the census data - Medicare, Medicaid, and Food Stamps - as well as community subsidies and services the elderly receive, their situation relative to that of nonaged female household heads improves even more. The feminization of poverty is nevertheless an issue for the elderly. While female-headed households account for 58.3 percent of Wisconsin's aged population, they accounted for 70.4 percent of the aged poor.

For non-aged households, the highest incidence of poverty for both household types is for those under age 25. For households with children, this is most likely a consequence of being the single parent of a young child. For households without children it may largely be due to the lower earning power of the young, or the fact that they are students. The 45-60 year-old age category has the next largest incidence of poverty for households without children. This might well reflect the phenomena of the "displaced homemaker" - the divorced, never married, or widowed woman whose primary responsibility had been as wife or mother. These women have sporadic, or non-existent, employment records and thus present a particular challenge to policymakers because no specific income support programs are in place to assist them.

While the greatest share of all non-aged households headed by women are households without children, the highest rates of poverty are for families with children. Figures 2 and 3 present the distribution of these families across various family types and the incidence of poverty within each family type. Table 1 presents information on the number of female-headed families and the incidence of poverty across counties. In Figure 2, families are categorized by marital status, the age of the youngest child and employment status of the mother. Figure 3 categorizes families by marital status and race.

Figure 2 indicates that poverty is lower for women who have been married previously than for those who never married. This is not surprising since never married women are more likely to have younger children and families with younger children have higher poverty rates. This figure also points out that employment lowers poverty, however, even when the mother is employed, the poverty rates for families with young children is alarmingly high.

Another reason that the incidence of poverty is greater for never-marrieds is the large percentage of non-whites in this family type. As can be seen from Figure 3, the poverty rates for non-whites are significantly higher than for whites, and over 52 percent of never-marrieds are non-white compared to only 16 percent of those ever married.

Among never-married women, single parenthood is most often a result of a teenage pregnancy. This sets up a pattern in which the woman drops out of high school, gets on welfare, never marries, or

if marries has a high probability of divorce or separation, remains in the low wage/low skill sector of the economy, and has lifelong reduced economic prospects for herself and her children. Such a pattern not only demands intervention to help those currently poor, but certainly warrants a closer look at ways of preventing the pattern from ever beginning.

In summary, for female-headed families in Wisconsin, being never married, having a young child, being unemployed, and being non-white are all associated with higher poverty rates. Even for those female heads with the lowest poverty rate - those married at some time, employed, and with a child aged 6-17 years - the poverty rate is still almost four times that of male-headed families.

What is Being Done for These Families?

In Wisconsin, over 39 percent of all female-headed families with children received cash public assistance in 1979. Figure 4 presents the distribution of these female-headed families by the age of the youngest child, receipt of welfare, and the mother's employment status. Again we see the impact on the poverty rate of having young children.

Of those who received welfare, 67.7 percent of mothers with children under the age of six are poor and 41.1 percent of mothers with children age 6-17 are poor. The combination of welfare and work reduces this rate to 44.8 and 26.0 percent for each group, respectively.

One important point to be seen from Figure 4 is that, while one often hears complaints about "those lazy welfare mothers out there living off the dole," a large percentage of welfare mothers do work and yet are still unable to escape poverty. In fact, of all those on welfare, 56.4 percent work at least part time and, of these, almost 35 percent are still poor. Among those who work and are not on welfare, over 17 percent remain poor. This again compares to a poverty rate among all male-headed families of only four percent.

Although welfare does not eliminate poverty among female-headed households with children, it does improve the economic well-being of recipients. Table 2 indicates the poverty status of recipient families both pre- and post-cash welfare transfers. (Prewelfare income is total family income in 1979 minus public assistance payments in 1979.) When welfare income is excluded, 71.9 percent fall below .75 of the poverty cutoff, compared to 25 percent when welfare income is included. In addition, while 55.5 percent still fall below the poverty cutoff postwelfare, 46.9 percent have moved above the .75 level, and 23.9 have moved out of poverty.

Welfare payments are only one source of cash income support benefits available to women who head households. There are also social insurance benefits, in particular, Social Security payments for the disabled, widows with children, and the aged. Table 3 presents the percentages receiving each of these benefit types and the average amounts received. Table 4 shows the impact these transfers have on poverty.

While it can be seen from Table 3 that the largest average benefit amounts are received by households with children who receive welfare, it must be remembered that the family size of this household type is greater than the other household types.

Table 4 indicates that, prior to any government income support transfers, aged households have the highest poverty rates, but posttransfer, households with children have the highest rates. Thus, while transfers improve the economic status of all households headed by women, they have the greatest impact on the elderly.

Policy Implications

The feminization of poverty has brought the issue of poverty face to face with the problems women experience in improving their economic status. When all household types are taken into account, almost three fourths of female heads with children are employed, yet about one quarter of them remain poor. Such figures reinforce the conclusion that these women are willing and do work, but, for many, employment is not the route out of poverty, as so many have contended. In addition, the highest poverty rates are for households with young children. Thus, even if employment is a viable option, quality day care is often not available. A 1981 study done by the U.S. Commission on Civil Rights reviewed data on the relationship between child care and equal opportunity for women. They concluded that lack of child care or inadequate child care: (1) prevents women from taking paid jobs; (2) keeps women in part-time jobs, most often with low pay and little career mobility;

and (3) keeps women in jobs for which they are overqualified and prevents them from seeking or taking job promotions.[3]

Another important factor contributing to poverty among female-headed families is lack of child support. For almost every single mother there is a father that should be contributing to the support of his children. Preliminary data on child support awards for Wisconsin indicate that, for AFDC families, only 48 percent were awarded child support and, of those, only 19 percent received the full amount awarded them, while 32 percent received nothing at all. For non-AFDC families these numbers are somewhat better - 62 percent were awarded child support and, of those, 55 percent received the full amount, and 19 percent received nothing.

The Wisconsin Department of Health and Social Services is currently working on reforming the child support system in ways that will not only reduce welfare costs, but will improve the economic well-being of female-headed families. It is clear that this is only one mechanism for attacking the problem of women in poverty. Probably the greatest challenge to policy makers is to find ways of improving the current market work opportunities and rewards, so that women can gain economic self-sufficiency.

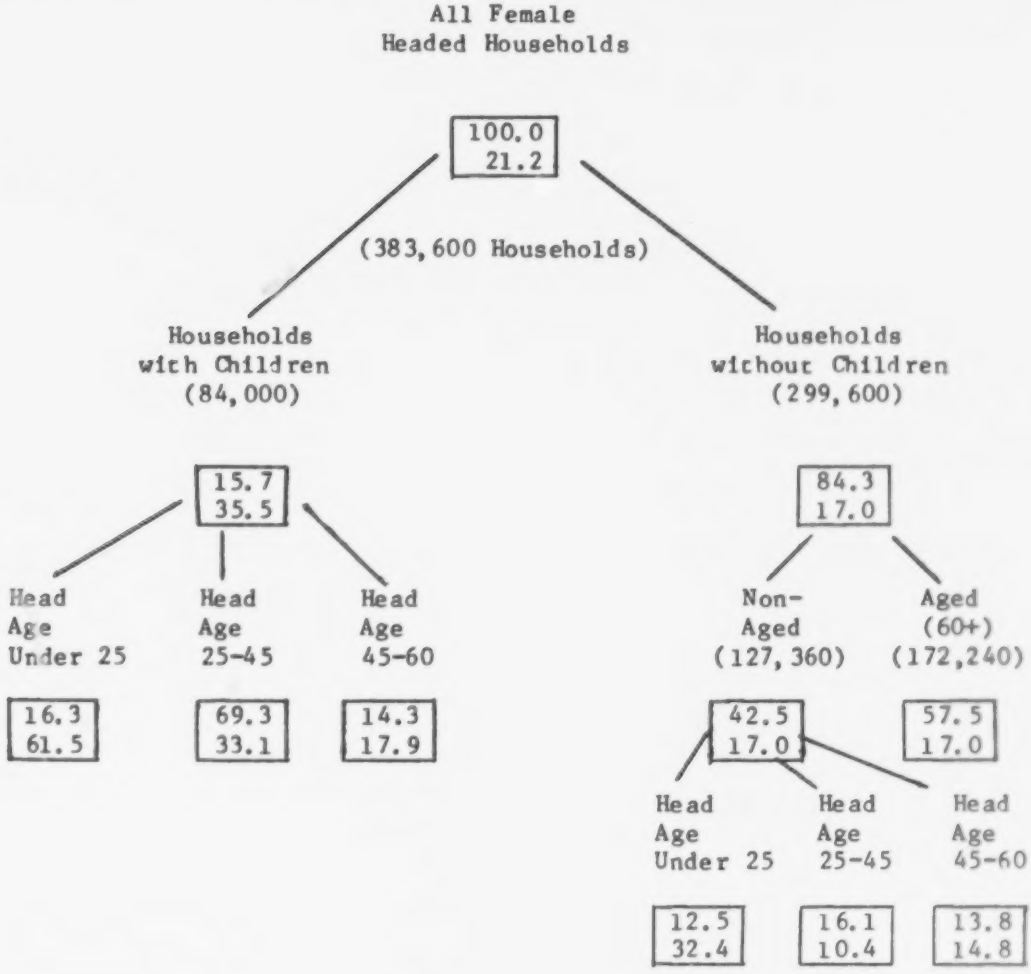
FOOTNOTES

1. Diana Pearce, "The Feminization of Poverty: Women, Work and Welfare," Urban and Social Change Review, February 1978.

2. This figure is for female-headed families (i.e., households which include at least 2 related individuals). Of all female-headed households the rate was 21.2 percent (see Figure 1).

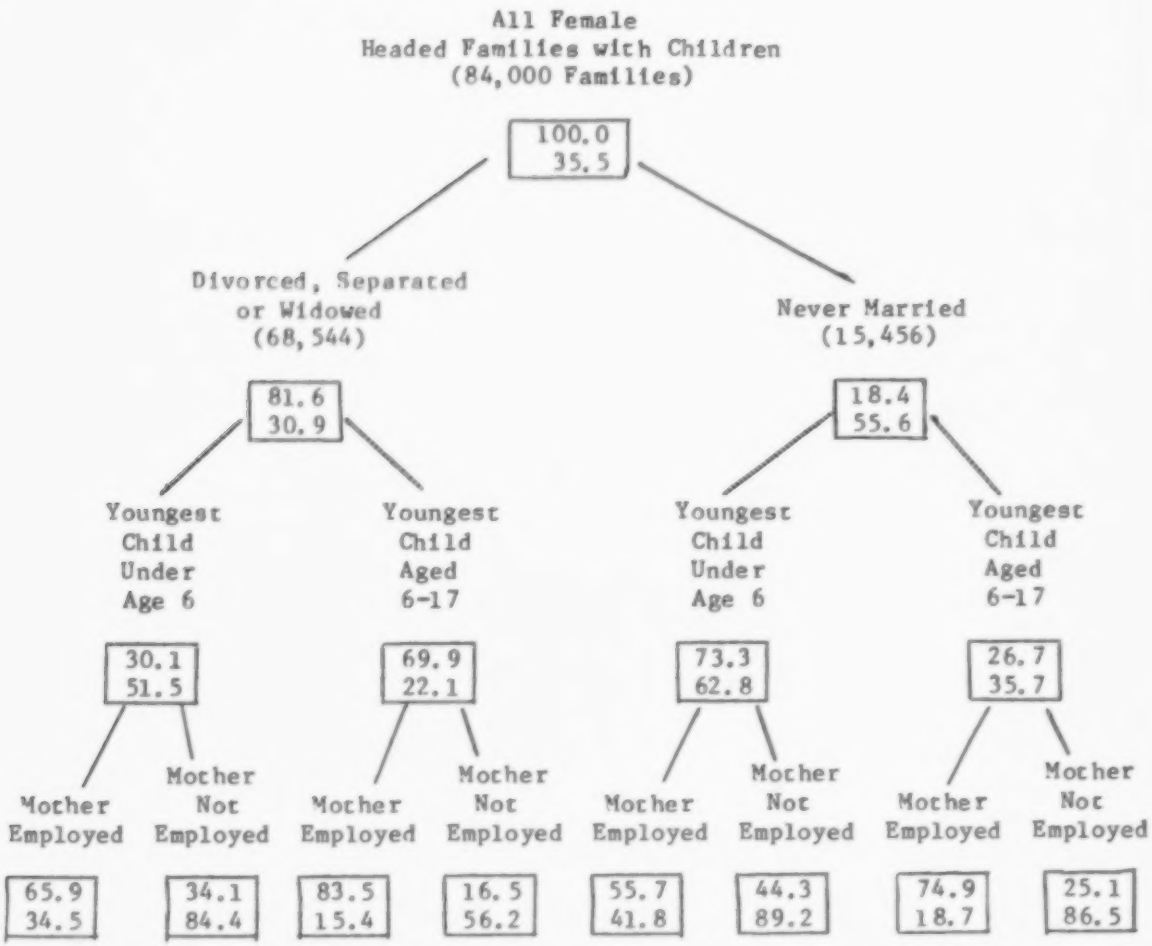
3. "Child Care and Equal Opportunity for Women," U.S. Commission on Civil Rights, June 1981.

Figure 1: The Distribution of Female Headed Households Across Household Types and the Incidence of Poverty, Wisconsin 1980 Census



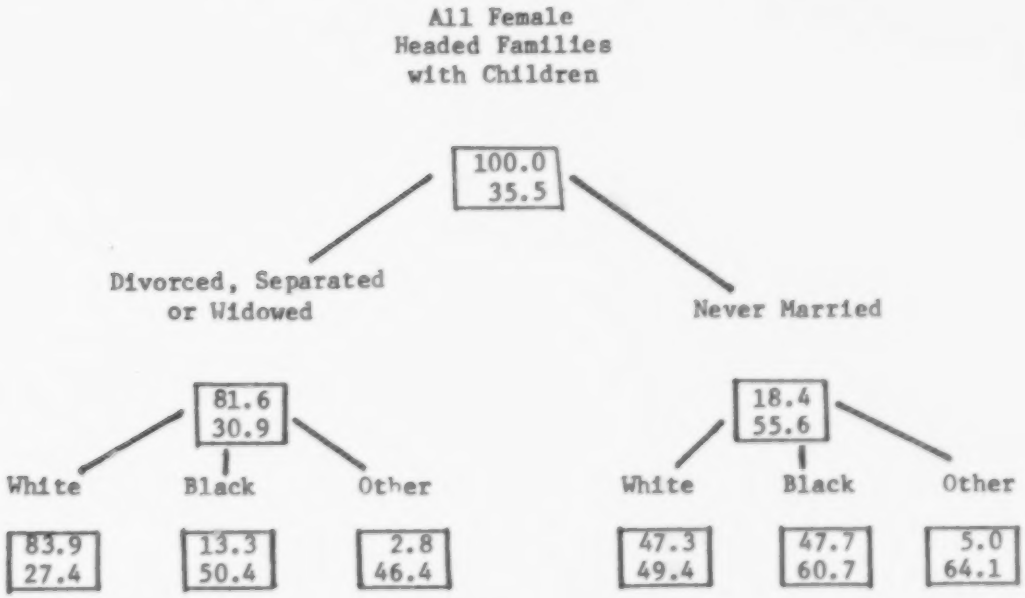
Note: The top number in the box is the percentage of the referent household type. The bottom number is the incidence of poverty for that household type. The number in parentheses is the number of households.

Figure 2: The Distribution of Female Headed Families with Children Across Family Types and the Incidence of Poverty, Wisconsin 1980 Census



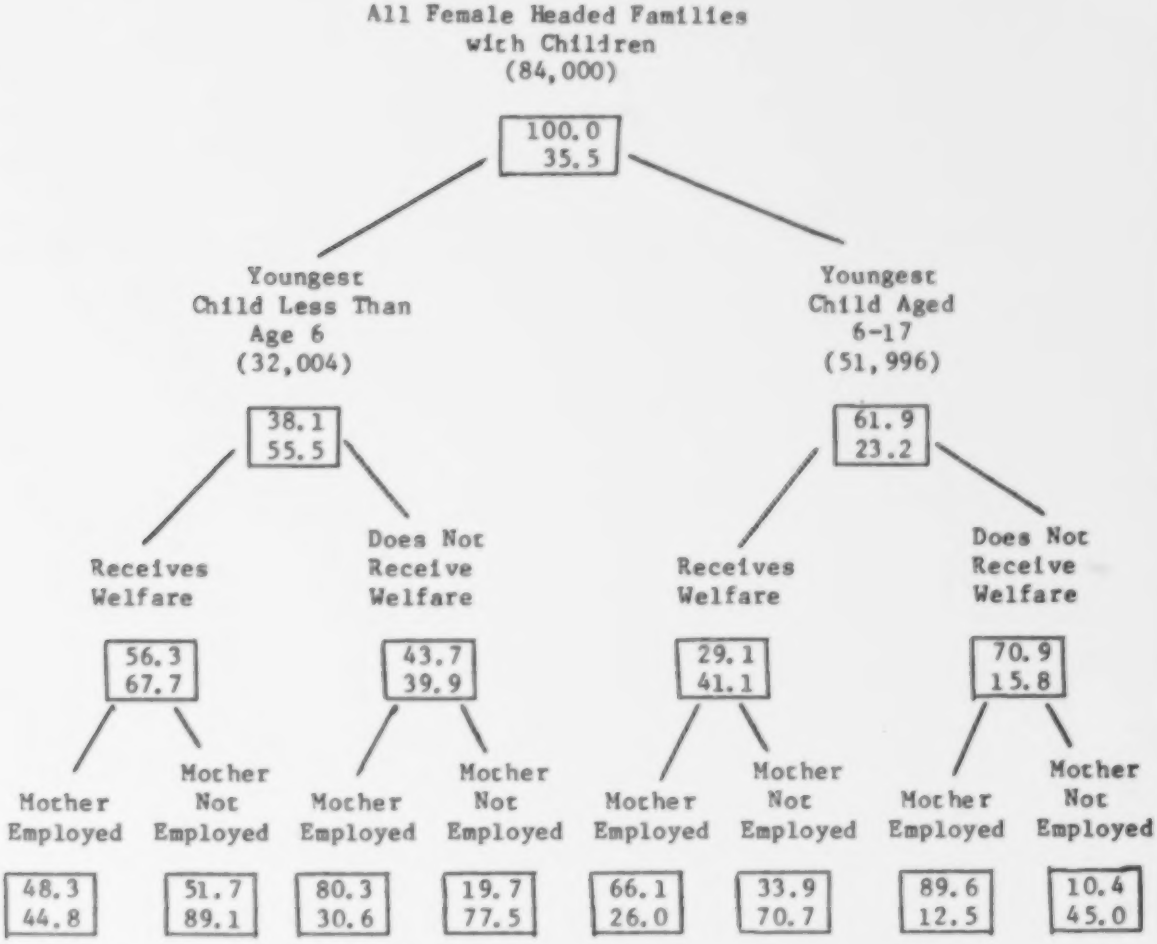
Note: The top number in each box is the percentage of the referent family type. The bottom number is the incidence of poverty for that family type. The number in parentheses is the number of families.

Figure 3. The Distribution of Female Headed Families with Children Across Family Types and the Incidence of Poverty, Wisconsin 1980 Census



Note: The top number in the box is the percentage of the referent family type. The bottom number is the incidence of poverty for that family type.

Figure 4: The Distribution of Female Headed Families with Children Across Family Types and the Incidence of Poverty, Wisconsin 1980 Census



Note: The top number in each box is the percentage of the referent family type. The bottom number is the incidence of poverty for that family type. The number in parentheses is the number of families.

Table 1: Female-Headed Families with Children Across Counties, Wisconsin 1980 Census

Counties Ranked by Incidencce of Poverty	Number of Female-Headed Families With Children	Percent of all Families in County	Incidence of Poverty for Female-Headed Families With Children
Clark	310	6.9%	58.1%
Langlade	264	9.8	58.0
Iron	98	12.1	54.1
Rusk	219	10.3	53.0
Burnett	149	9.6	53.0
Price	141	6.7	52.5
Sawyer	214	13.1	50.9
Florence	55	9.5	50.9
Forest	122	10.1	50.0
Ashland	304	13.6	49.7
Marquette	127	8.5	48.8
Menominee	105	23.2	46.7
Jackson	196	8.5	45.9
Crawford	195	8.5	44.1
Milwaukee	30001	24.3	44.0
Vilas	203	10.3	43.3
Juneau	285	10.1	42.5
Douglas	1024	17.1	42.1
Chippewa	682	8.9	41.9
Washburn	228	12.6	41.7
Barron	501	9.2	41.5
Racine	3801	15.0	40.3
Bayfield	189	10.4	40.2
Lafayette	154	6.3	39.6
Richland	192	8.3	39.6
Iowa	205	7.4	39.5
Waupaca	458	7.9	39.3
Shawano	398	8.2	39.2
Adams	185	11.0	38.9

continued

Table 1 (continued): Female-Headed Families with Children Across Counties, Wisconsin 1980 Census

Counties Ranked by Incidence of Poverty	Number of Female-Headed Families With Children	Percent of all Families in County	Incidence of Poverty for Female-Headed Families With Children
Rock	2514	12.2%	38.8%
Trempealeau	303	8.6	38.6
Waushara	215	9.0	38.6
Oconto	304	7.6	38.5
Marinette	551	10.0	38.3
Wood	1130	10.5	37.8
Dunn	378	8.9	37.6
Oneida	497	11.8	37.2
Polk	413	9.1	37.0
Vernon	243	7.1	37.0
Eau Claire	1339	13.4	36.1
Grant	493	7.2	35.9
Columbia	535	9.0	34.8
Buffalo	185	9.2	34.6
Outagamie	1820	9.5	34.3
Brown	3213	12.3	34.2
Portage	620	8.2	33.9
Fond du Lac	1078	8.7	33.7
Marathon	1550	9.4	33.4
Winnebago	2184	12.1	33.1
La Crosse	1479	12.7	32.9
Walworth	1100	11.6	32.6
St. Croix	483	7.3	31.9
Kenosha	2692	15.4	31.8
Door	271	8.1	31.7
Sauk	622	10.3	31.7
Monroe	430	8.8	30.9
Lincoln	286	7.9	29.7
Washington	987	7.3	28.5
Pierce	328	7.8	27.7

continued

Table 1 (continued): Female-Headed Families with Children Across Counties, Wisconsin 1980 Census

Counties Ranked by Incidence of Poverty	Number of Female-Headed Families With Children	Percent of all Families in County	Incidence of Poverty for Female-Headed Families With Children
Jefferson	852	9.3%	27.2%
Dodge	784	7.5	26.8
Pepin	67	6.4	25.4
Calumet	279	6.0	25.1
Dane	5911	14.4	25.0
Manitowoc	1047	9.1	25.0
Sheboygan	1227	8.6	24.4
Green	418	9.8	24.4
Taylor	132	4.9	22.7
Waukesha	3301	7.6	22.1
Kewaunee	184	6.6	19.6
Ozaukee	789	7.7	16.5
Green Lake	188	7.9	14.9

Table 2: Poverty Status of Female Headed Families with Children Who Receive Welfare Transfers, Pre- and Post-cash Welfare

Poverty Level	Prewelfare Percent	Postwelfare Percent
Below .75	71.9%	25.0%
.75-.99	7.5	30.5
1.00-1.24	6.0	12.3
1.25-1.49	5.4	9.1
1.50-1.74	3.7	7.9
1.75-1.99	2.3	4.9
2.00+	3.3	10.3
TOTAL	100.0%	100.0%

Table 3: Cash Income Support Benefits to Female-Headed Households -- Percentage Receiving and Average Amount Received, Wisconsin 1980 Census

Household Type	Receive Welfare		Receive Social Security	
	Percent Receiving	Average Amount Received	Percent Receiving	Average Amount Received
Households with Children	39.5%	$3448	8.9%	$3129
Non-Aged Households Without Children	3.8	$2047	5.2	$2664
Aged Households	11.4	$1772	85.3	$3333

Table 4: Percentage of Female-Headed Households in Poverty Pre- and Post-Cash Income Support Transfers

	Pretransfer Percent Poor	Prewelfare Percent Poor	Posttransfer Percent Poor
Households with Children	48.9%	46.8%	35.5%
Non-Aged Households Without Children	20.2	18.4	16.9
Aged Households	66.0	24.0	19.8

POVERTY AMONG WISCONSIN'S ELDERLY

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Introduction

The 1970s witnessed a significant decline in the proportion of elderly with incomes below the officially designated poverty line. This decline occurred nationally, in the State of Wisconsin, and within geographic subareas of Wisconsin. Increases in Social Security benefits and pensions were among the major reasons for proportionate declines in poverty among the elderly. Despite these reductions, a relatively large number of older persons had incomes only slightly above the poverty cut-off dollar amount, a group that is often termed the "near poor." In addition, certain subgroups, such as those living alone, women, minorities, and the extreme elderly, had a disproportionate number in poverty.

This presentation gives a demographic overview of poverty among Wisconsin's elderly population based on data available from the 1980 Census.[1] Topics include: (1) Correlates of Poverty, including (a) Age, sex, and race (b) Living arrangements and family composition (2) The Near Poor, and (3) Income and Social Security.

Background

Since the beginning of the twentieth century, Wisconsin's population aged 65 and over (65+), the so-called elderly, has

increased both numerically and proportionately, that is, the elderly population has come to represent a larger proportion of the state's total population (see Figure 1). From 1900 to 1980, the number of older Wisconsinites grew from 120,000 to 560,000. As a proportion of the State's population, the elderly increased from five to twelve percent. By the year 2000, it is estimated that the elderly will comprise 13.2 percent of the State's total population, an increase of 1.2 percent from 1980. Both the steady decline in age specific mortality rates and the decline in fertility rates since about 1960 have contributed to the growing proportion of the elderly.

Figure 2 illustrates the decline from 1969 to 1979 in the proportion of persons of all ages and those 65+ with incomes below poverty for the United States and Wisconsin. In both years, Wisconsin had a smaller proportion of its total and elderly population in poverty than the U.S. as a whole. In Wisconsin, the proportion of people 65+ with incomes below poverty declined from 25 percent to just under ten percent. For the U.S. as a whole, 27 percent of the elderly were in poverty in 1969 in comparison to 15 percent in 1979.

In 1969, a disproportionately large number of the elderly were in poverty relative to persons in poverty of all ages in both the U.S. as a whole and in Wisconsin. However, declines in poverty rates over the period 1969 to 1979 proceeded more rapidly among the elderly than among persons of all ages. As a result, the gap between the elderly and the total group narrowed considerably. By 1979, little difference existed in the proportion of persons in

poverty between the elderly and the total population in Wisconsin.

The prevalence of poverty is not uniformly distributed across Wisconsin. Figure 3 delineates counties according to the proportion of persons 65 years and over who had incomes below poverty. Table 1 shows the number of elderly in each county and the percent living in poverty. The majority of Wisconsin counties had elderly poverty rates above the State average of 9.5 percent. Counties with the highest poverty rates were predominately nonmetropolitan, with a high concentration of elderly persons relative to the State average. In contrast, metropolitan areas, where populations tend to be younger, generally reported the lowest prevalence of poverty among the elderly. In Milwaukee County, Wisconsin's most populated county, elderly poverty was disproportionately concentrated in the central city.

Correlates of Poverty

Age, sex, and race

Three demographic factors - age, sex, and race - identify groups with above average poverty rates among the elderly. Poverty rates within the elderly population increase with increasing age. In 1980, the proportions of Wisconsin elderly in poverty for the age groups 65 to 74, 75 to 84, and 85+ were, respectively, 7.0, 12.4, and 17.1 percent. Elderly women were more likely to be poor than were elderly men (11.4 versus 6.5 percent). Elderly blacks had highr rates of poverty than did elderly whites (27.4 versus 9.4 percent).

Women are disproportionately represented among the elderly, especially at the higher end of the age continuum, due to their longer life expectancy. Figure 4 compares the number of men and women aged 65+ for the year 1980 and shows projections for the year 2000. In 1980, women comprised about 58 percent of the elderly population. According to projections of Wisconsin's population into the next century, the number of elderly women is expected to increase more rapidly than the number of men. By the year 2000, the elderly population is expected to be 60 percent female.

Living arrangements and family composition

Figure 5 shows three categories of living arrangements among Wisconsin's older population: elderly who live in families, alone, and in group quarters. About sixty percent of all elderly lived in families in 1980. The likelihood of living with other family members declined with age. The figure also shows that women were less likely to live in families than were men at all age intervals.

Elderly in Families. Families often represent sources of both social and economic support to their members. Figure 6 compares the poverty rates of elderly persons who lived in families with those who lived alone, by sex and age. It can be seen that poverty rates were significantly higher among the elderly who lived alone than for those who lived in families, for both men and women and for all age groups. Among those living in families, only for those ages 85 and over was the proportion of women living in poverty lower than for men. Among those living alone, in each age interval, elderly women were much more likely to be poor than were elderly men. This gap

was especially prominent for those aged 75 and over.

Despite similar rates of poverty among older men and women in families, overall poverty rates among women remained higher than for men because women were much less likely to live in families than were men. Several demographic processes contribute to this phenomenon. Women not only live longer than men, but they also tend to marry men older than themselves. Further, women are more likely than men to experience the death of a spouse, and elderly widowers are more likely to remarry than are widows.

A close association exists between living with a spouse and economic well being. Thirty-eight percent of all elderly women in Wisconsin lived with their spouses in 1979, but among those in poverty, only 17 percent lived with their spouses (see Table 2). A similar comparison for elderly men is almost as dramatic. Seventy-two percent of all men 65+ lived with their spouses, but only 56 percent of men in poverty lived with spouses. Similarly, the proportions of elderly widows and widowers was higher among those in poverty than among the total elderly population.

Some elderly without spouses (including the divorced, separated, and never married, as well as widows and widowers) may be able and prefer to live with other family members, for example a sibling, child, or parent. Such living arrangements were found less frequently among elderly men and women in poverty than for the group as a whole.

Elderly Not Living in Families. The elderly not living in families may be living with nonrelatives, alone, or in group

quarters. Although the proportion living with nonrelatives is somewhat greater among the elderly poor than all elderly, very few were found in this living arrangement. A large proportion of elderly women lived alone in 1980 (38 percent), especially among poor elderly women (69 percent). At ages 65 to 74, one third of all women lived alone. In contrast, only 14 percent of Wisconsin men aged 65+ lived alone; twice as many (33 percent) elderly men in poverty lived alone. For men and women, the probability of living alone was greater at ages 75 to 84 than at ages 65 to 74, however, by ages 85+, relatively large numbers were in group quarters. Although most older Wisconsinites lived independently in a community setting, about ten percent of those 65+ were in group quarters.[2]

Minority Aged. Racial and ethnic minorities comprise only a small proportion of Wisconsin's population. Relative to the total population, the proportion of persons 65+ among racial and ethnic minorities is low due to their higher age specific mortality rates and higher fertility. The 1980 Census indicated that the following proportions of each group were 65 and over: white, 12.5 percent; black, 3.8 percent; American Indian, 5.0 percent; and Spanish origin, 3.6 percent. The proportion of elderly in poverty is greater among minority populations than among whites. In 1980, the proportion of persons 65 years and over in poverty for whites, blacks, Indians, and persons of Spanish origin were, respectively: 9.0, 22.4, 17.8, and 10.2 percent.

Figure 7 compares the percent of persons 65+ in poverty for blacks and whites by living arrangements and sex. In each

comparison, the prevalence of poverty is substantially greater among blacks than whites. Among blacks and whites a larger proportion of women than men were in poverty, however, the male-female gap in poverty rates is somewhat narrower among blacks than among whites. As with whites, blacks living in families are less likely to be poor than those living alone, however, living in a family does not appear to act as a buffer against poverty among blacks to the extent which it does for whites. Among those in families, approximately four times more blacks had 1979 incomes below poverty than did whites.

The Near Poor

The 1979 dollar cutoff amount for poverty was $3479 for persons 65+ living alone and for unrelated individuals. The amount for two person families with a householder 65+ was $4389. The respective incomes at 125 percent of poverty were $4348 and $5487. Persons with incomes between 100 and 125 percent of the poverty line are referred to as the "near poor." Comparisons between the near poor and the poverty population can be considered in two ways. On the one hand, one can look at the differences between the near poor and the poor which have enabled the former group to acquire incomes just above the poverty line. On the other hand, one can look at the near poor as a group with sufficiently low levels of economic resources to warrant concerns similar to those directed toward people with incomes below 100 percent of poverty.

Figure 8 compares the proportion of Wisconsin's elderly population in poverty by two classifications: (1) those with

incomes below the poverty line, and (2) those with incomes between 100 and 125 percent of poverty. In each of the geographic categories shown in Figure 8, the additional 25 percent doubled the proportion of people in poverty. Like those below 100 percent of poverty, a larger proportion of Wisconsin's near poor elderly lived in nonmetropolitan than metropolitan areas of the state. About 25 percent of the nonmetropolitan elderly were either poor or near poor in 1979. For metropolitan counties, the proportion was 16 percent. In Milwaukee County, the proportion of elderly with incomes below 125 percent of poverty was nearly two times greater in the central city than in the remainder of the county.

Figure 9 graphically illustrates the relationship between living arrangement and the various poverty levels for Wisconsin's elderly population by sex. Among elderly family heads, about ten percent were either poor or near poor (100 to 124% of poverty level). Almost 35 percent of elderly Wisconsin men who lived alone had 1979 incomes below 125 percent of poverty. Among elderly Wisconsin women living alone, about 42 percent were either in poverty or near poor.

In terms of many correlates of poverty among the elderly, the near poor represent a point in between the poverty population and the population as a whole. For example, low levels of education, extreme agedness, and being nonwhite were more characteristic of the elderly poor than all persons 65+. The greatest difference between the poor and the near poor was the proportion who received Social Security payments. In 1979, the proportion of the elderly receiving Social Security benefits was 75 percent among those in poverty;

among the near poor, it was 95 percent. The receipt of Social Security may have lifted the poor into the near poor category. The next section will examine more closely the relationship of income and Social Security benefits to poverty.

Income and Social Security

While less than ten percent of Wisconsin's elderly were included among the 1979 poverty population, the elderly were still not as well off economically as the population for the State as a whole. Figure 10 shows the income distribution for all households and those with a householder 65+. In 1979, more than half of all elderly householders had incomes of $10,000 or less. In contrast, the median household income for householders of all ages was $17,700 (Figure 11). Just over one fourth of these households had incomes of $10,000 or less (Figure 10). The larger proportion of elderly householders with low incomes is partly due to differences in household composition. Among the elderly, a relatively large proportion of households consisted of one person, often female, who was not working. Nonelderly households were more likely to have multiple earners contributing to household income.

In contrast to household income distributions, there is greater similarity in personal income distribution between unrelated individuals (those living alone or without relatives) of all ages and elderly unrelated individuals, as shown in Figure 12. Still, among unrelated individuals aged 65+, the median income of $4,500 was about $2,000 less than for unrelated individuals of all ages (Figure 11).

Improvements in Social Security benefits constitute one of the major reasons for the decline in poverty among the elderly. In 1979, 85 percent of all persons 65+ in Wisconsin received at least some Social Security income (see Table 3). Little difference existed in the overall proportion of elderly men and women who received Social Security, however, among those living with a spouse, women were less likely to have Social Security than men. A larger proportion of men and women who lived alone received Social Security than did those in families.

Figure 13 demonstrates the importance of Social Security payments as average proportions of total 1979 income among the elderly who were family heads or lived alone.[3] Social Security comprised at least half of total income regardless of sex and living arrangements, however, it constituted a somewhat smaller proportion of income for family heads than for those who lived alone. Probably because family heads tend to be on the younger side and more likely to be in the labor force than the elderly who lived alone, wages, dividends, and interest comprised the second most important source of income among the family heads. Among the elderly who lived alone, "other" income sources, which included private pensions, ranked second.

Social Security payments took on even greater importance for the elderly poor as compared with all persons 65+ (see Figure 14).[4] Social Security represented about 80 percent of total income for the elderly poor who lived alone and for male family heads. Elderly female family heads below poverty received about 70 percent of their

income in the form of Social Security. The contribution to income from wages, dividends, and interest among the elderly poor varied depending upon sex and living arrangements, but, on average, at least ten percent of the elderly poor's income came from such sources, with the exception of men who lived alone.

Public assistance, including Supplemental Security Income (SSI), was relatively more important as a percent of total income among the elderly poor as compared to all elderly persons. However, the fact that this group of the elderly had total incomes below the official poverty line indicates that in 1979 they did not obtain the maximum SSI benefits. Comparison of Figures 13 and 14 also reveals that the elderly poor received notably small proportionate contributions to total income from "other" sources, which include mainly private retirement and pension benefits.

Figures 15 and 16 demonstrate the vital role of actual dollars from Social Security in alleviating poverty among Wisconsin's elderly aged 60+[5]. If Social Security payments are subtracted from family income among families with a householder 60+, the proportion of families in poverty increases from four to 31 percent. Among unrelated individuals aged 60+, this same calculation produces a threefold increase in the proportion with incomes below poverty, from 20 to 64 percent. In both metropolitan and nonmetropolitan areas of Wisconsin, Social Security provided the income needed to keep very large proportions of the elderly out of poverty.

Summary and Conclusions

While poverty rates among Wisconsin's elderly have declined over recent decades, significant numbers of the elderly continue to have incomes either below or just above the officially designated poverty line. Certain ascribed characteristics, such as extreme age, being female or nonwhite, related to higher than average probabilities of poverty among the elderly. The economic disadvantages that women and the extreme elderly faced were exacerbated by the fact that relatively high proportions did not live in families, which appeared to provide some buffer against poverty. This situation is due partly to the fact that wives generally outlive their husbands, and thus experience the dissolution of their family living arrangements. Differences in mortality do not, however, fully explain why such a large proportion of women and the extreme aged were poor, nor do they explain why elderly nonwhites were more likely to be poor than whites.

Social Security payments have clearly played a major role in alleviating poverty among Wisconsin's elderly. In their absence, poverty would be widespread. Although Social Security enabled many recipients to escape actual poverty, the payments were such that many of Wisconsin's elderly remain near poor. Access to economic resources at older ages is generally associated with higher economic status during younger, working ages. Thus, economic status among elderly women and nonwhites partly reflects the disadvantages that these groups faced in the labor market. Few of the elderly poor reported income from pensions, which could raise income above a

minimum level. The Supplemental Security Income Program, which includes both federal and state dollars, is designed to provide a minimum income for elderly and disabled persons with extreme financial need. For reasons not explored in this report, the SSI Program did not prevent nearly 50,000 elderly persons in Wisconsin from living in poverty in 1979.

This report has provided a skeleton overview of poverty among Wisconsin's elderly and serves as useful background for more detailed exploration of the subject. We recommend more attention be given to groups with relatively high proportions in poverty, and to geographic contrasts within the State.

FOOTNOTES

1. Families and unrelated individuals (persons living alone or unrelated to the householder) are classified as above or below the poverty level by comparing their total 1979 income to an income cutoff or "poverty threshold." For a more detailed discussion of the poverty status concept, including its limitations, see U.S. Department of Commerce, Bureau of the Census, 1980 Census of Population and Housing, Public-Use Microdata Samples Technical Documentation, pages K-33 to K-36.

2. Two general categories of living arrangements are classified as group quarters: institutions and "other." The latter consists of 9 or more persons living together and unrelated to the householder, as well as military barracks, college dormitories, and other living arrangements designated by the Census Bureau. The Census Bureau does not calculate poverty status for inmates of institutions, members of the Armed Forces living in barracks, college students living in dormitories, and unrelated individuals under 15 years old. Thus, poverty rates do not take into account most of the group quarters population. Among Wisconsin's elderly in group quarters in 1980, 94 percent were not included in the population for whom poverty status was determined. The vast majority of these were in nursing homes. Poverty statistics in this report refer to the population for whom poverty status was determined.

3. Sources of income in Figures 13 and 14 are as follows: (1) Social Security, including Railroad Retirement; (2) wages, including salaries, bonuses, tips, own farm or nonfarm income from businesses, partnerships, or professional practices, interest, dividends, royalties, or net rental income; (3) public assistance, including Supplemental Security Income (SSI), or public welfare payments; (4) other, including unemployment compensation, veterans' payments, pensions, alimony, or any other source of income received regularly. For the calculations in Figures 13 and 14 negative income from wages, interest, or dividends (category 2 above) was set to zero. Persons with a total income less than or equal to zero were excluded.

4. The percent of persons in poverty who were excluded from calculations shown in Figure 14 because their income was less than or equal to zero were: family heads: male, 17 percent, female, 6 percent; living alone: male, 7 percent, female, 5.5 percent. They represent less than 1 percent of all persons 65+.

5. The source for these data is Summary Tape File 4. Similar calculations for the population aged 65+ based on the 1980 PUMS data were not available at the time of presentation because they require special calculations based on family record data as well as individual record data.

LIST OF FIGURES
SOURCES OF DATA*

Figure 1. Percent of Wisconsin's Population Age 65 and Over, 1910-2010. Sources: Bureau of Health Statistics, Department of Health and Social Services; and "Wisconsin Population Projections, 1983," Wisconsin Department of Administration, Demographic Services Center.

Figure 2. Percent of Persons 65 and Over Below Poverty, U.S. and Wisconsin, 1969 and 1979. Sources: 1970 Census of Population and Housing, Characteristics of the Population, U.S. Summary (Table 259) and Wisconsin (Table 58). 1980 Census of Population and Housing, 3rd Count Summary Tape, File C, U.S. Summary and Wisconsin.

Figure 3. Proportion of Elderly in Poverty, Wisconsin, 1979. Sources: 1970 Census of Population, 4th Count Summary Tape. 1980 Census of Population and Housing: Advance Estimates of Social, Economic and Housing Characteristics. 1980 Census of Population: General Population Characteristics.

Figure 4. Wisconsin's Population 65 Years and Over by Sex, 1980 and 2000. Source: "Wisconsin Population Projections, 1983," Wisconsin Department of Administration, Demographic Services Center.

Figure 5. Elderly Living Arrangements by Sex, Wisconsin, 1980.

Figure 6. Percent of Persons 65 Years and Over Below Poverty, by Living Arrangements and Sex, Wisconsin, 1979.

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Figure 8. Poverty Status of Persons 65 Years and Over by Met/Nonmet Counties, Wisconsin, 1979.

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Figure 10. Household Income Distribution, Wisconsin, 1979.

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Figure 13. Income Sources for the Elderly by Living Arrangements and Sex, Wisconsin, 1979.

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Figure 15. Percent of Elderly Families and Unrelated Individuals in Poverty, Including and Excluding Social Security, Wisconsin, 1979. Source: 1980 Census of Population and Housing, Summary Tape File 4, Table PB106.

(Note: Similar calculations for the population aged 65+ based on the 1980 PUMS data were not available at the time of presentation because they require special calculations based on family record data as well as individual record data.)

Figure 16. Percent of Elderly Families and Unrelated Individuals in Poverty, Including and Excluding Social Security, by Metropolitan Status, Wisconsin, 1979. Source: 1980 Census of Population and Housing, Summary Tape File 4, Table PB107 (see Note above).

*Unless otherwise noted, data for figures are from the U.S. Department of Commerce, Bureau of the Census, Census of Population and Housing 1980, Public-Use Microdata Samples (PUMS).

Figure 1: Percent of Wisconsin Population Age 65 and Over, 1910-1920

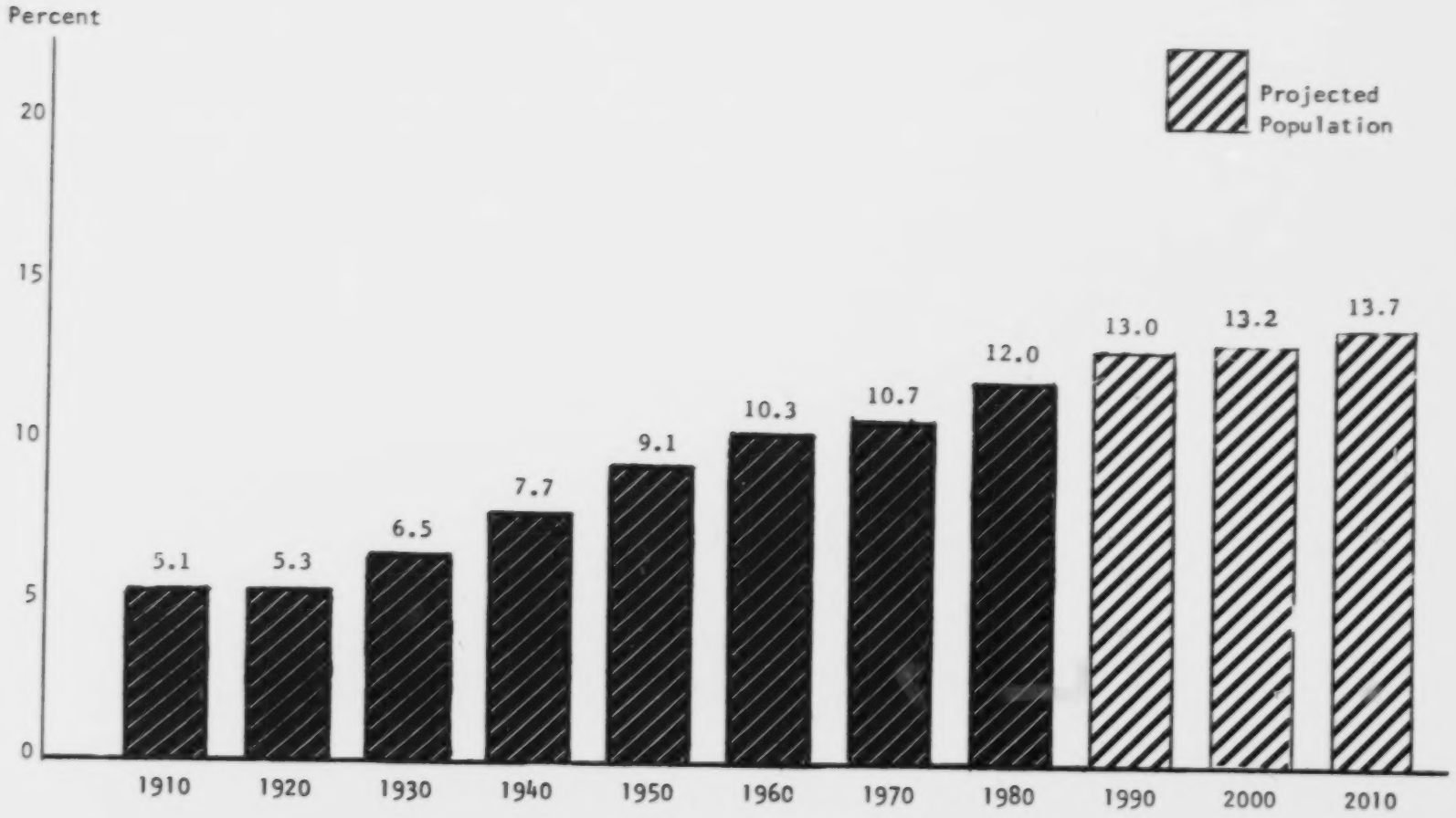

Figure 2: Percent of Persons 65 and Over Below Poverty, U.S. and Wisconsin, 1969 and 1979

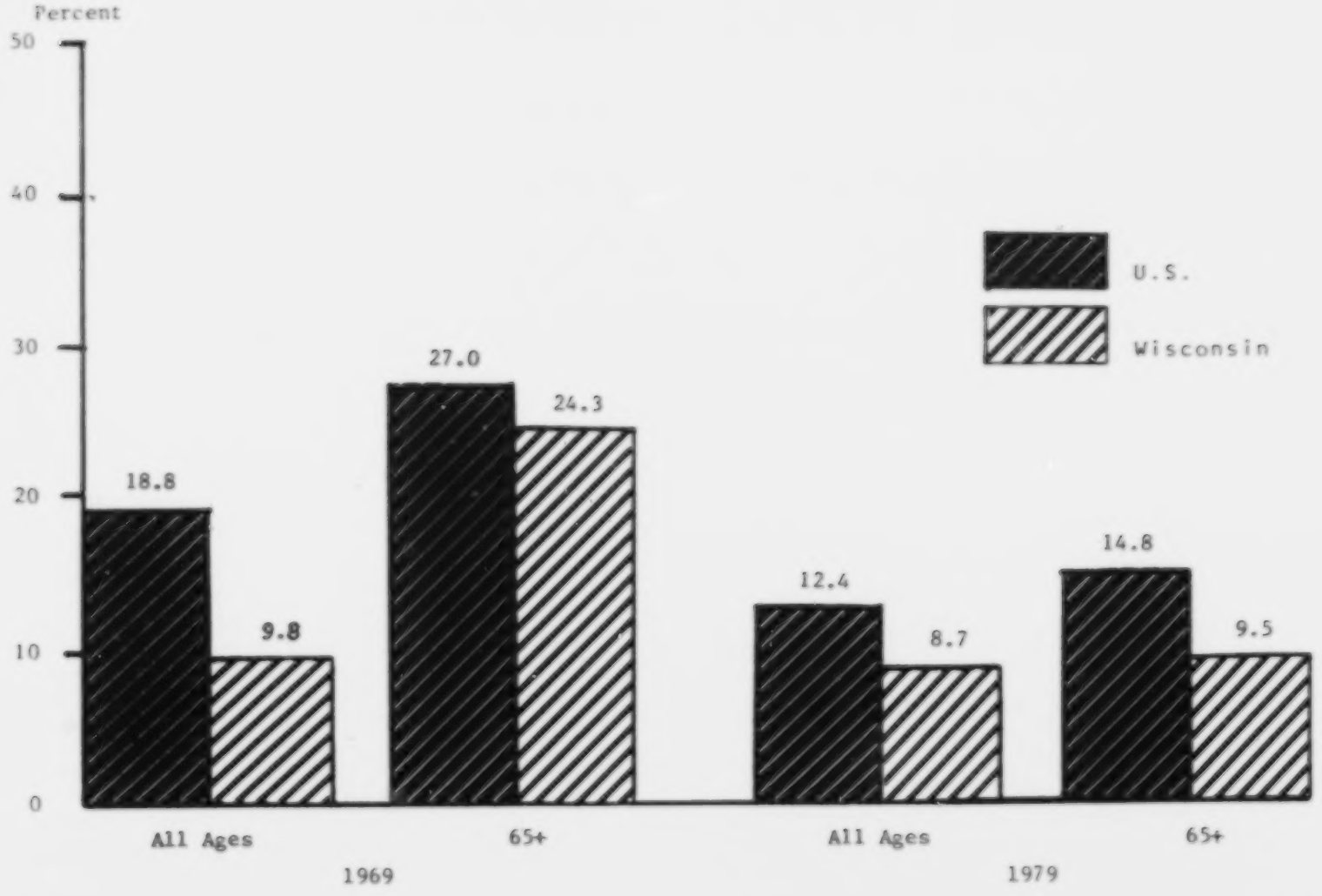

Figure 3: Proportion of Elderly in Poverty, Wisconsin, 1979

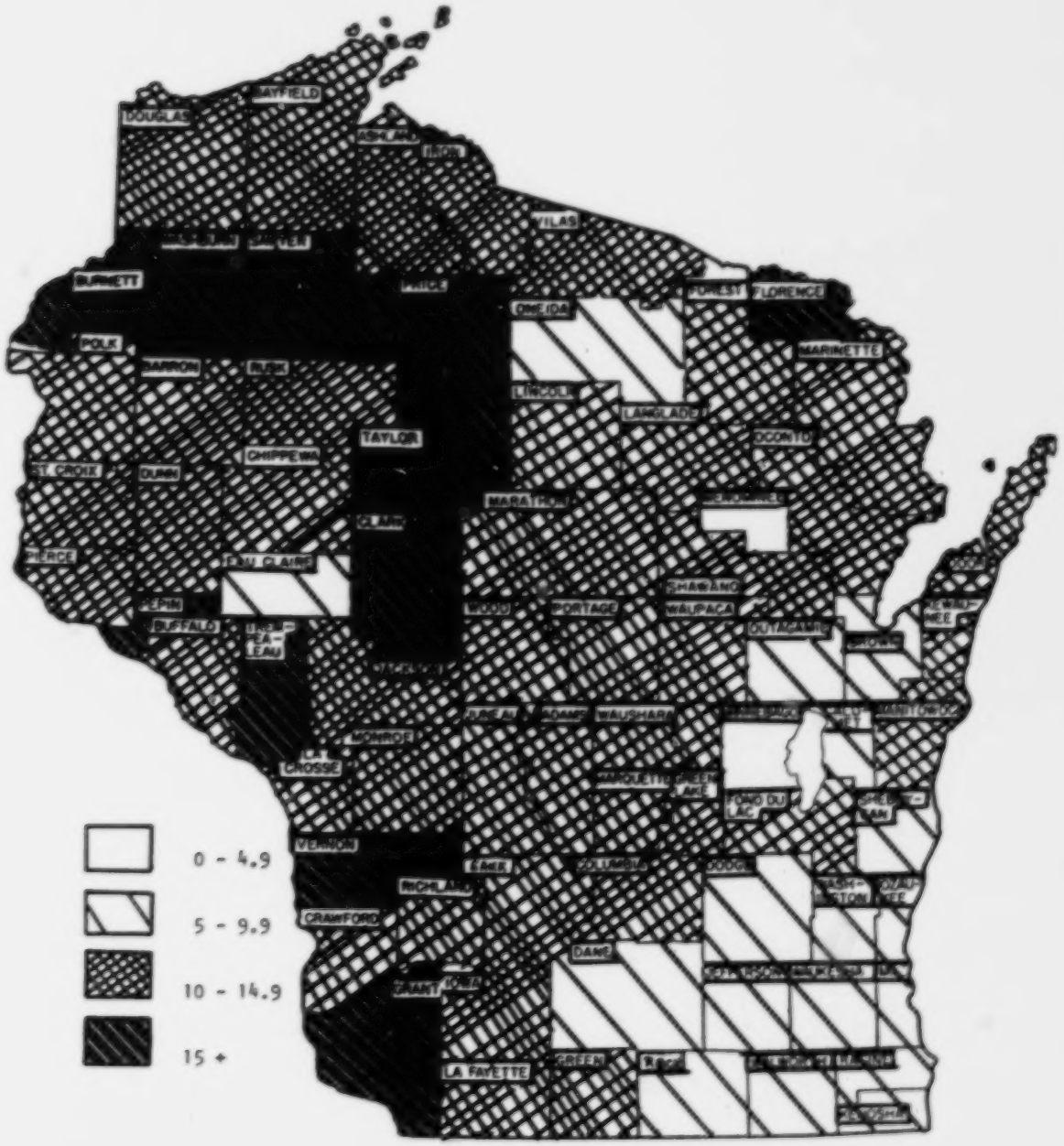

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Figure 4: Wisconsin's Population 65 Years and Over By Sex, 1980 and 2000

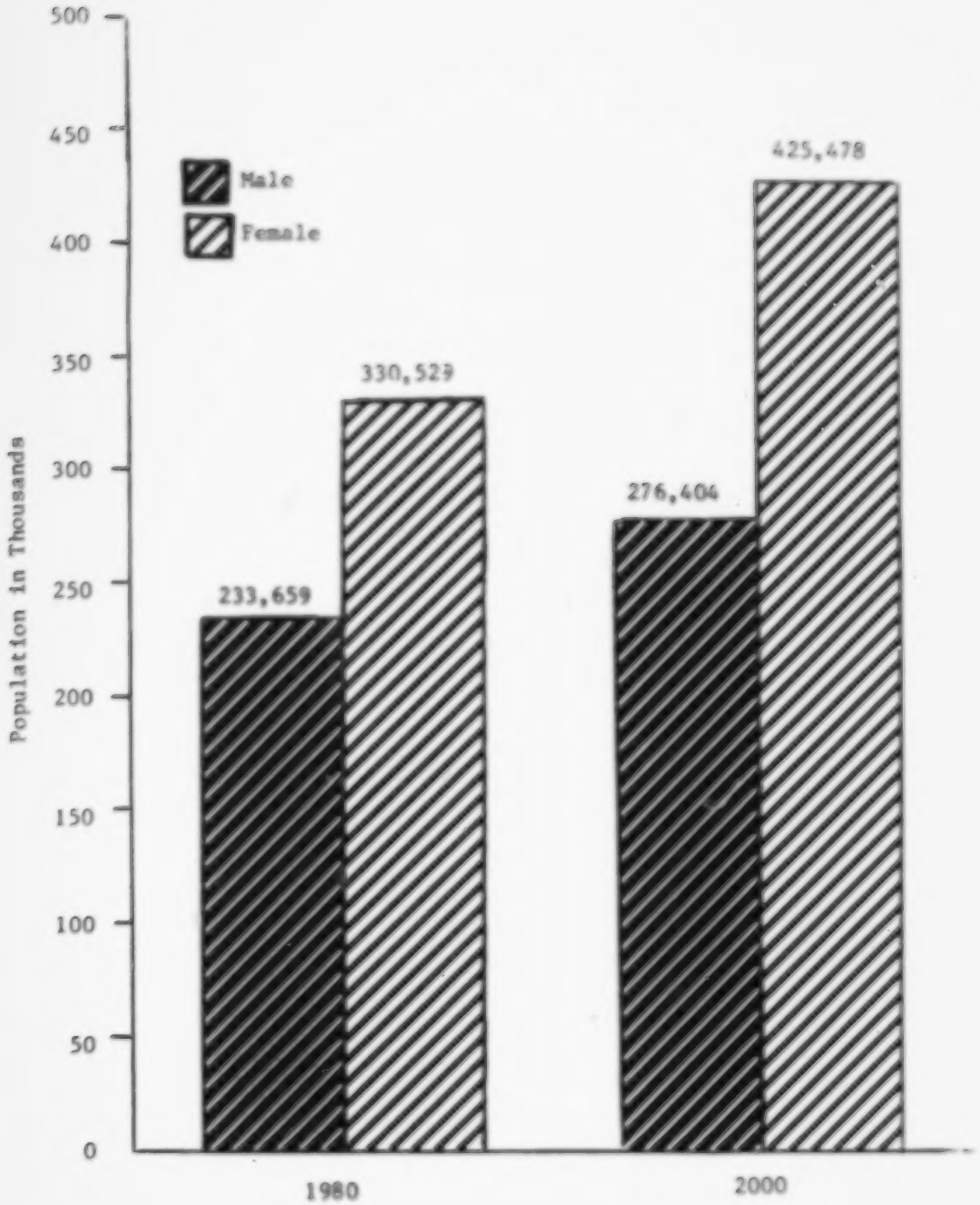

Figure 5: Elderly Living Arrangements By Sex, Wisconsin, 1980

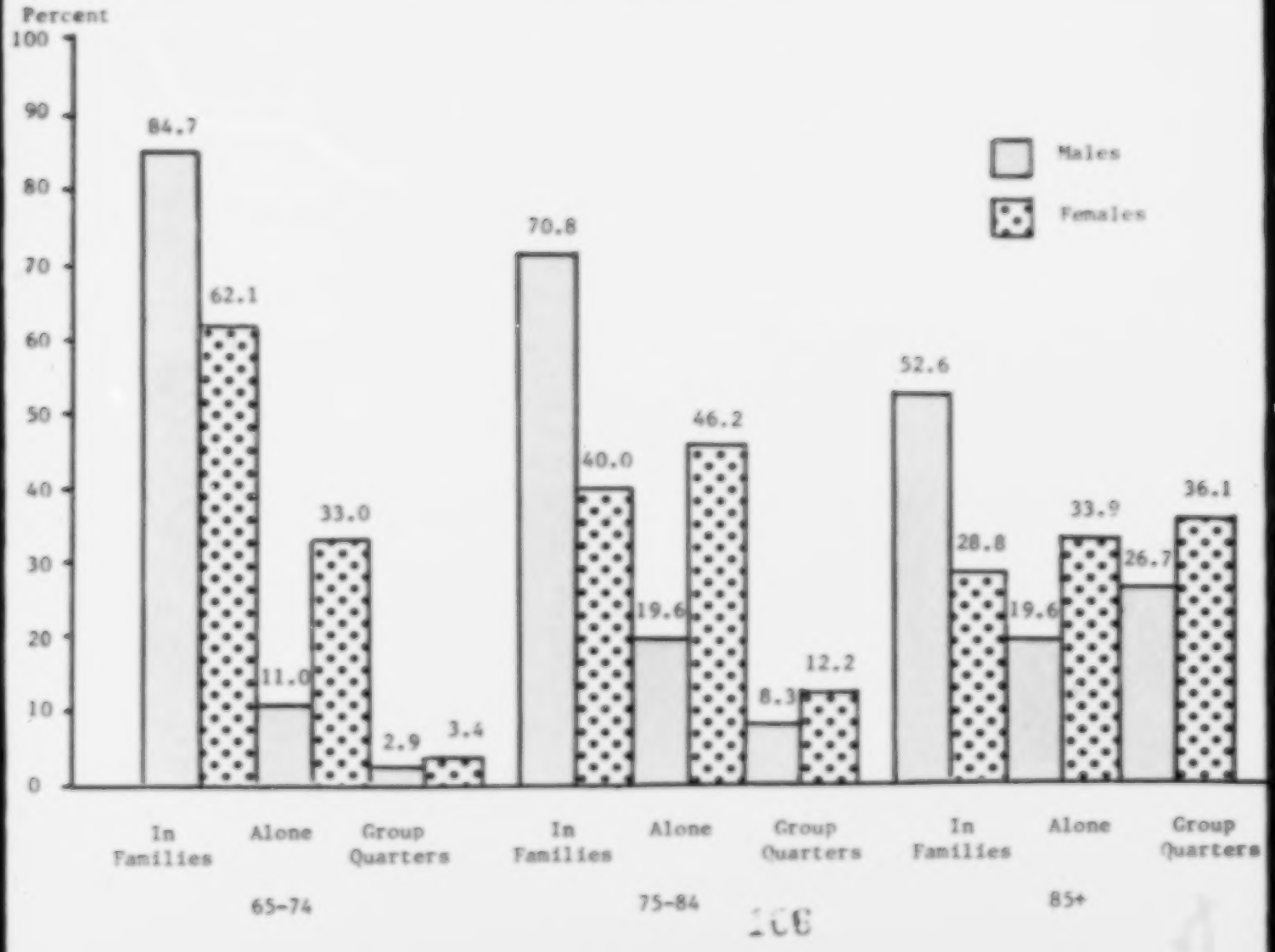

Figure 6: Percent of Persons 65 Years and Over Below Poverty, By Living Arrangements and Sex, Wisconsin, 1979

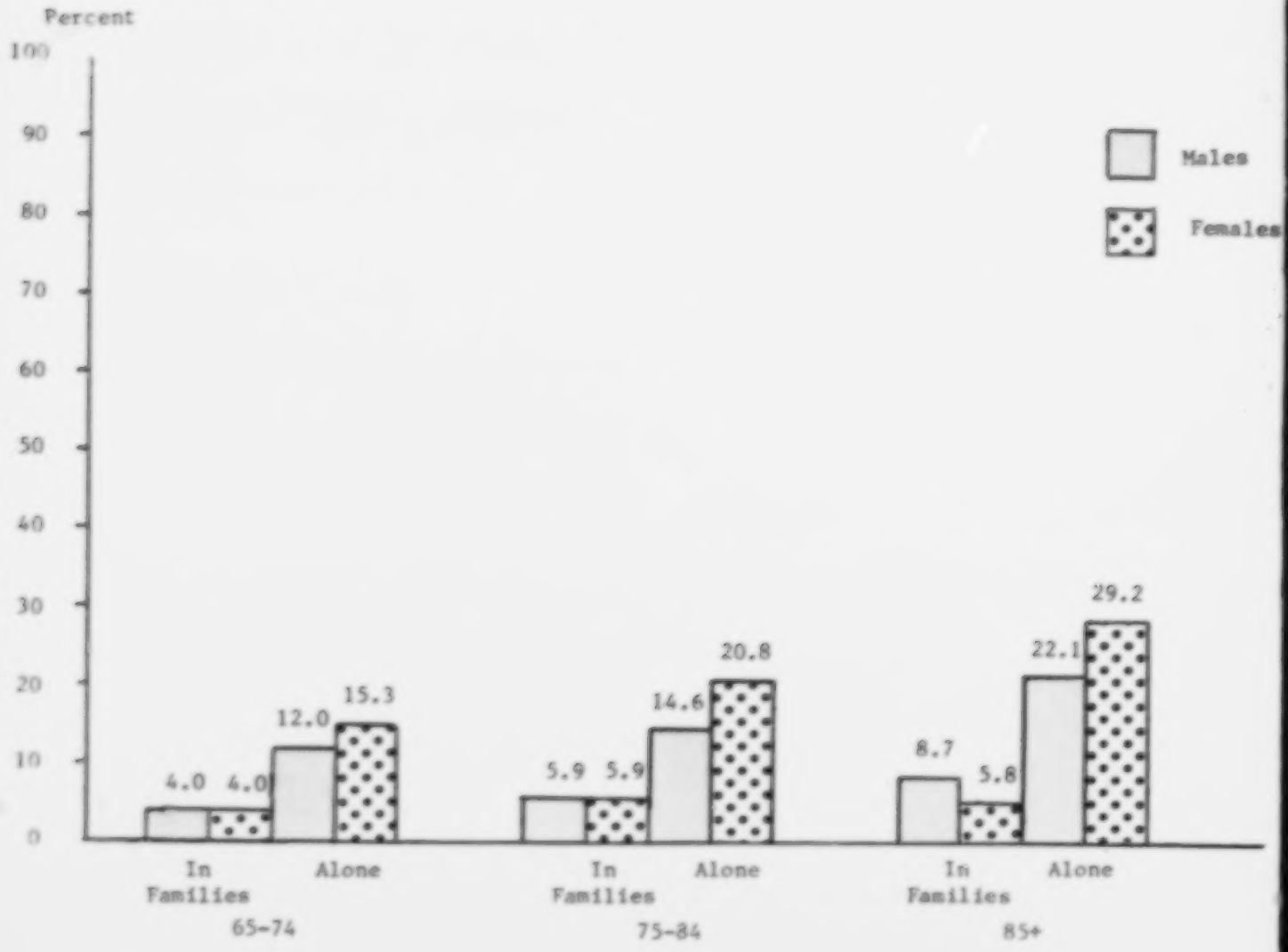

Figure 7: Percent of Persons 65 Years and Over Below Poverty By Living Arrangements, Race, and Sex, Wisconsin, 1979

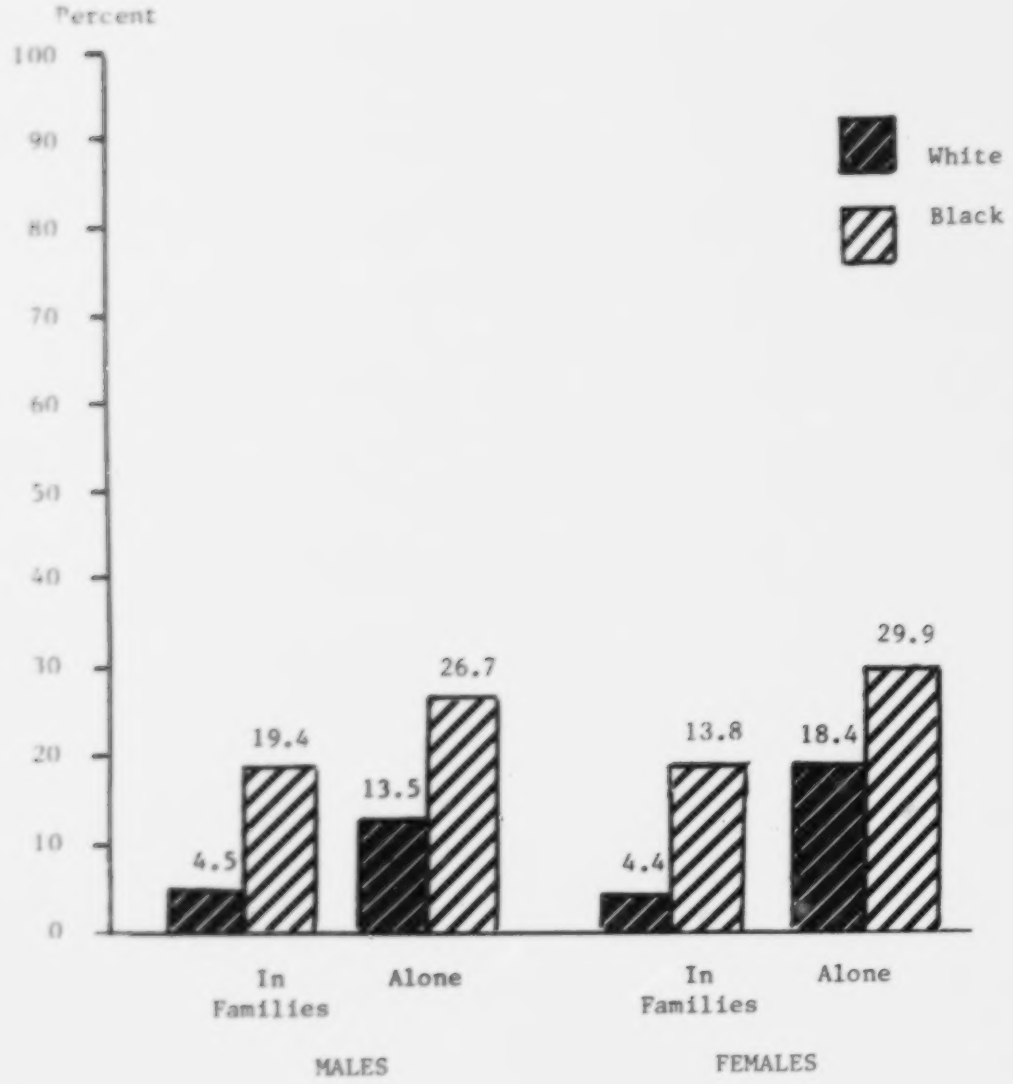

Figure 8: Poverty Status of Persons 65 Years and Over by Met/Nonmet Counties, Wisconsin, 1979

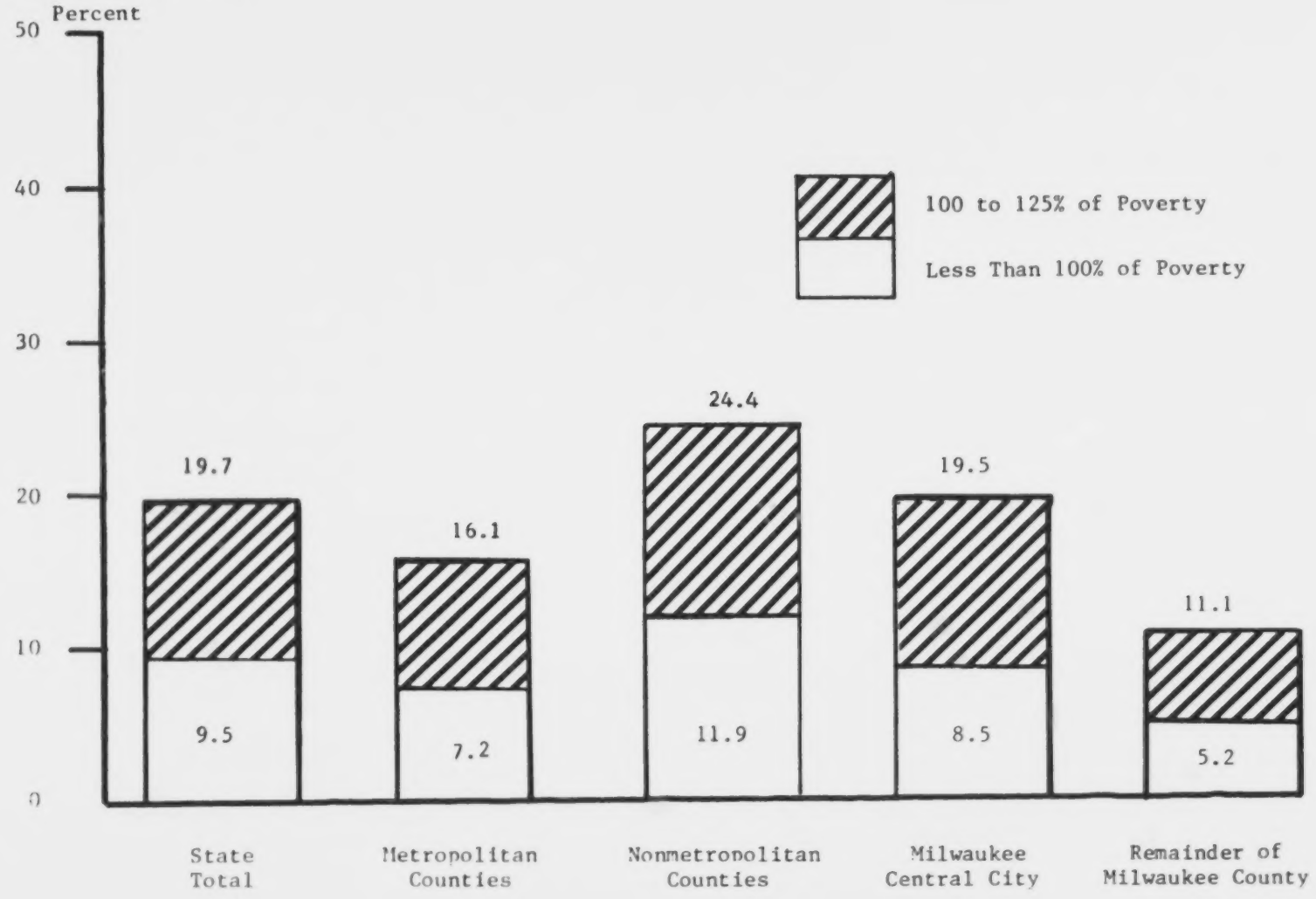

Figure 9: Poverty Status of the Elderly by Living Arrangements and Sex, Wisconsin, 1979

Figure 10: Household Income Distribution, Wisconsin, 1979

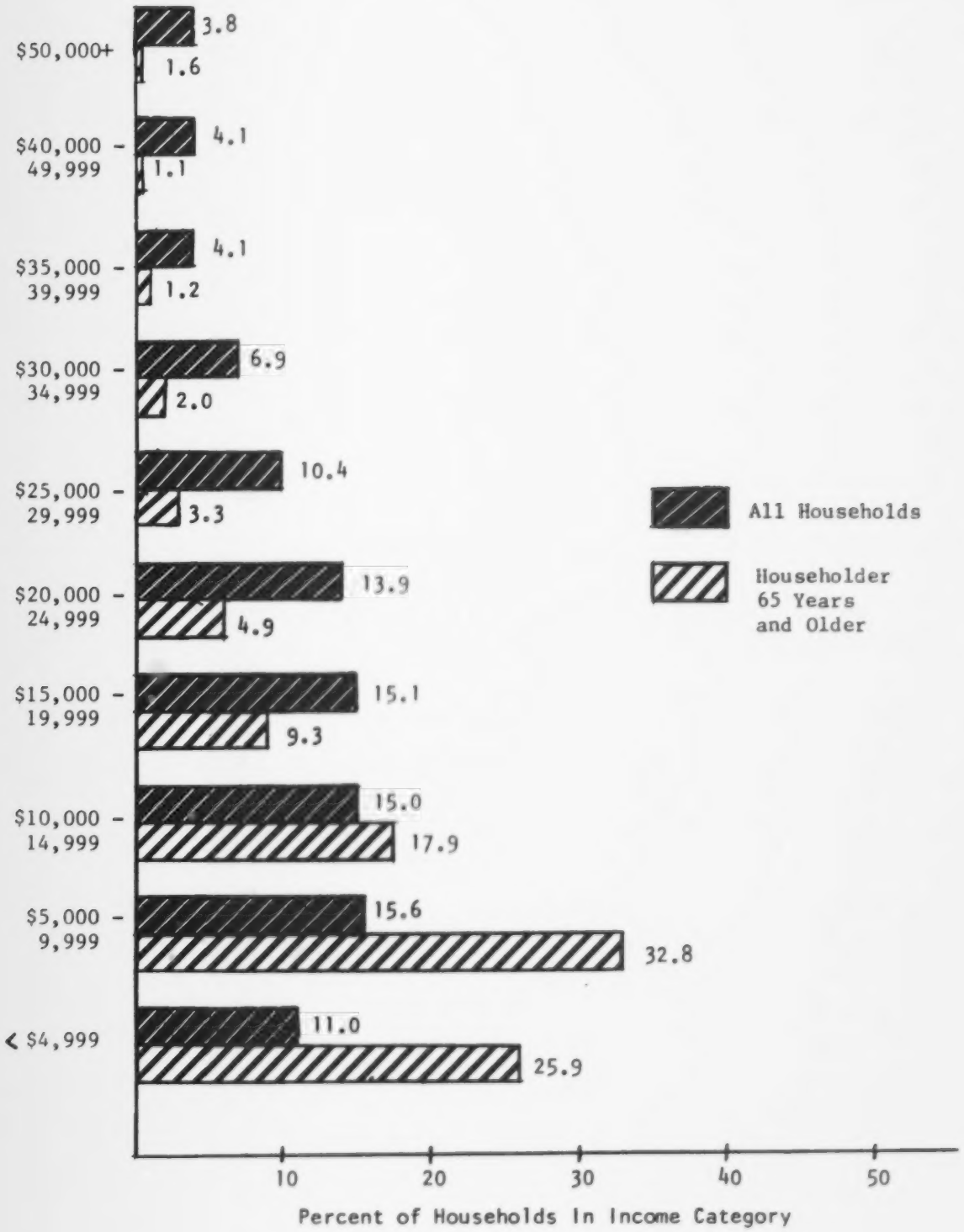

Figure 11: Median Income of Families, Households, and Unrelated Individuals, Wisconsin, 1979

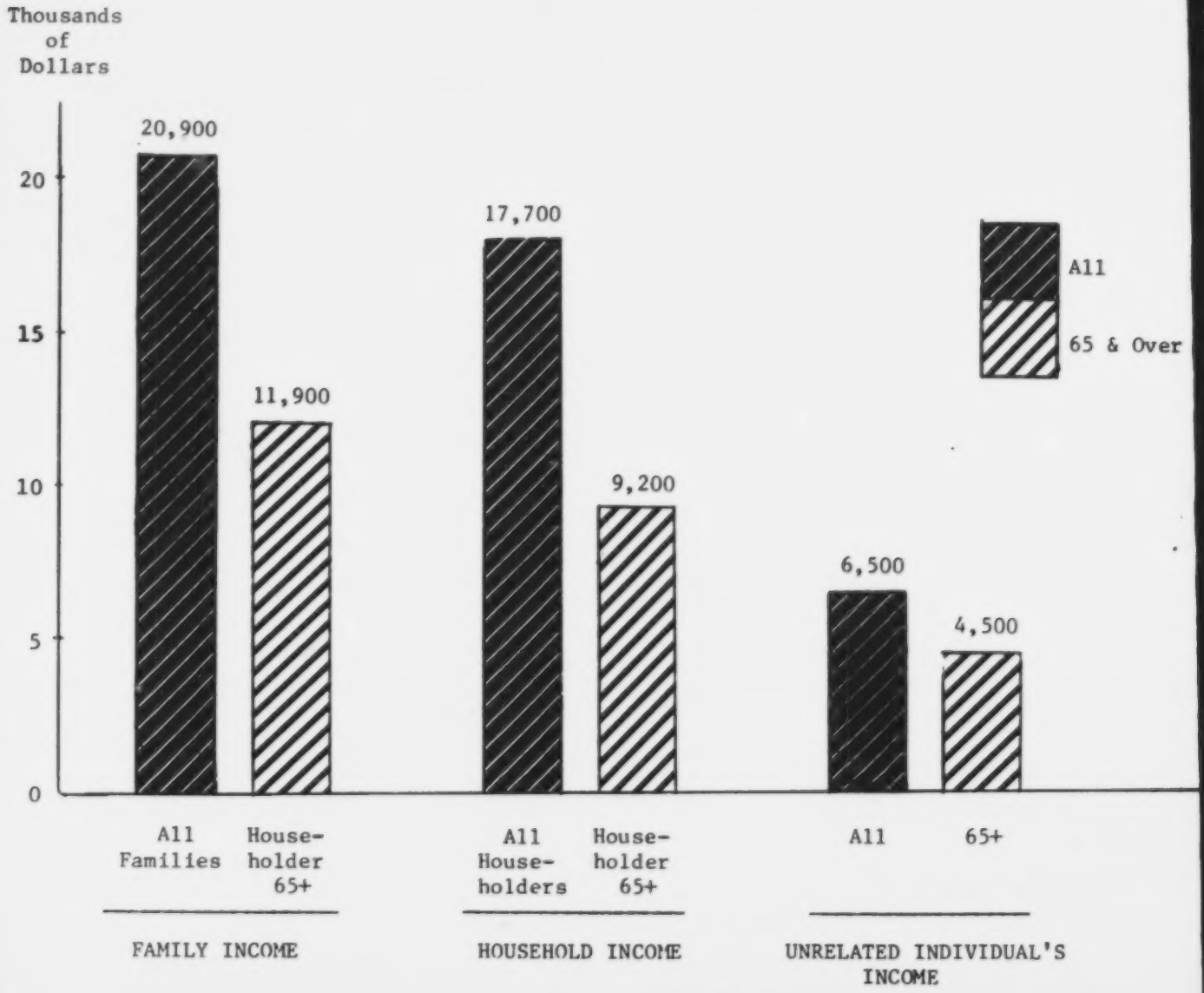

Figure 12: Personal Income Distribution of Unrelated Individuals, Wisconsin, 1979

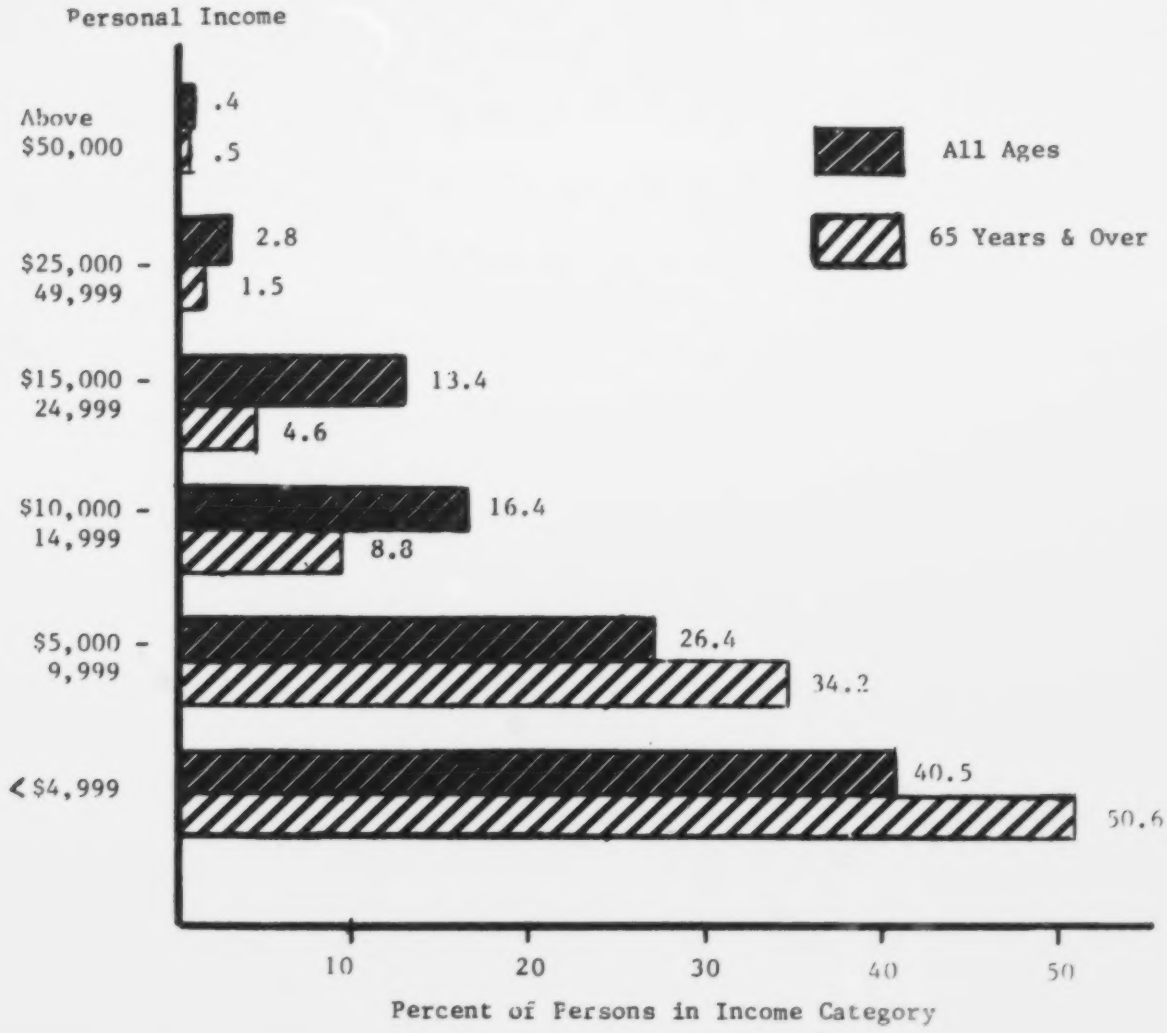

Figure 13: Income Sources for the Elderly by Living Arrangements and Sex, Wisconsin, 1979

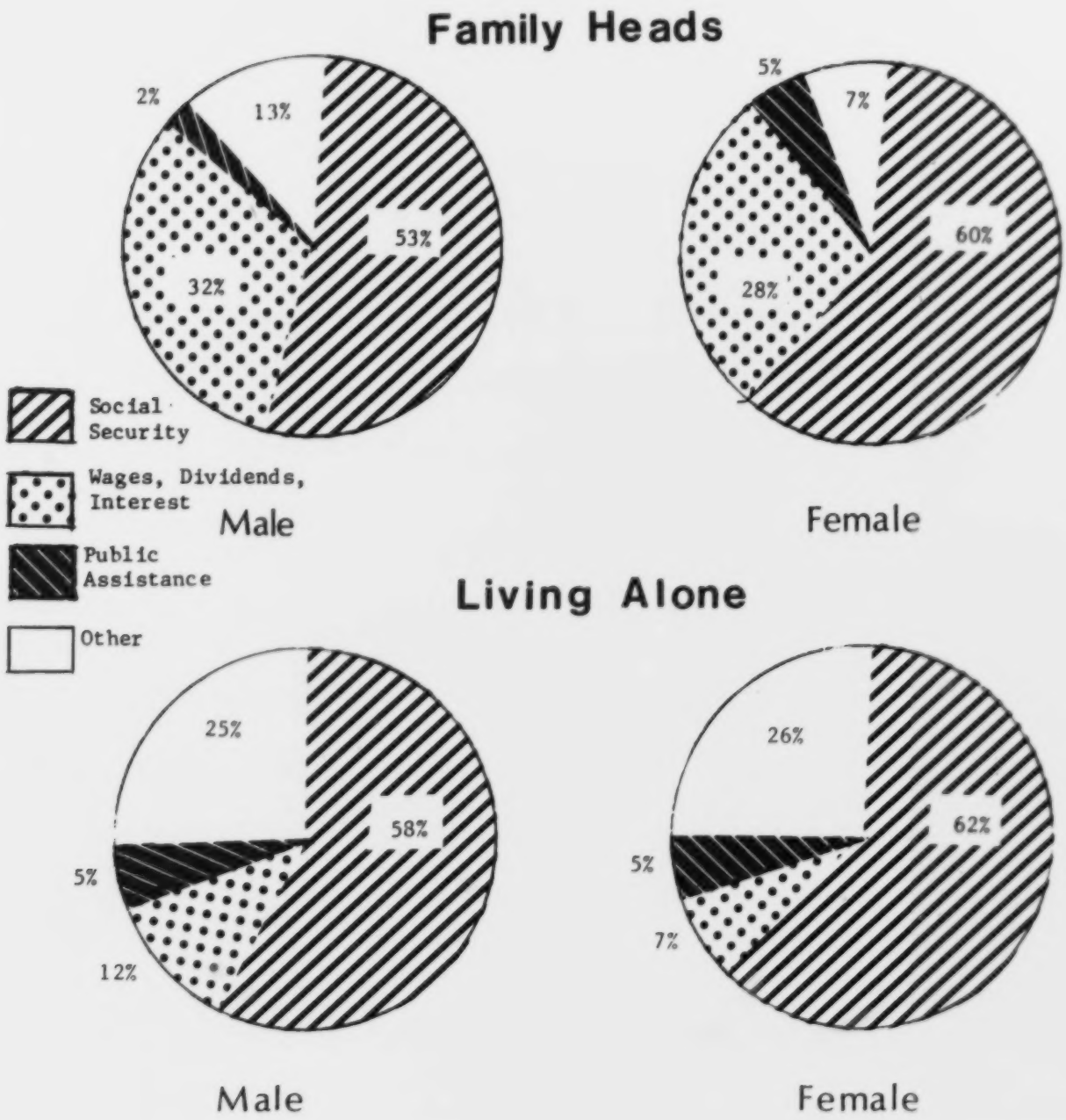

Figure 14: Income Sources for the Elderly in Poverty by Living Arrangements and Sex, Wisconsin, 1979

Figure 15: Percent of Elderly Families and Unrelated Individuals in Poverty, Including and Excluding Social Security, Wisconsin, 1979

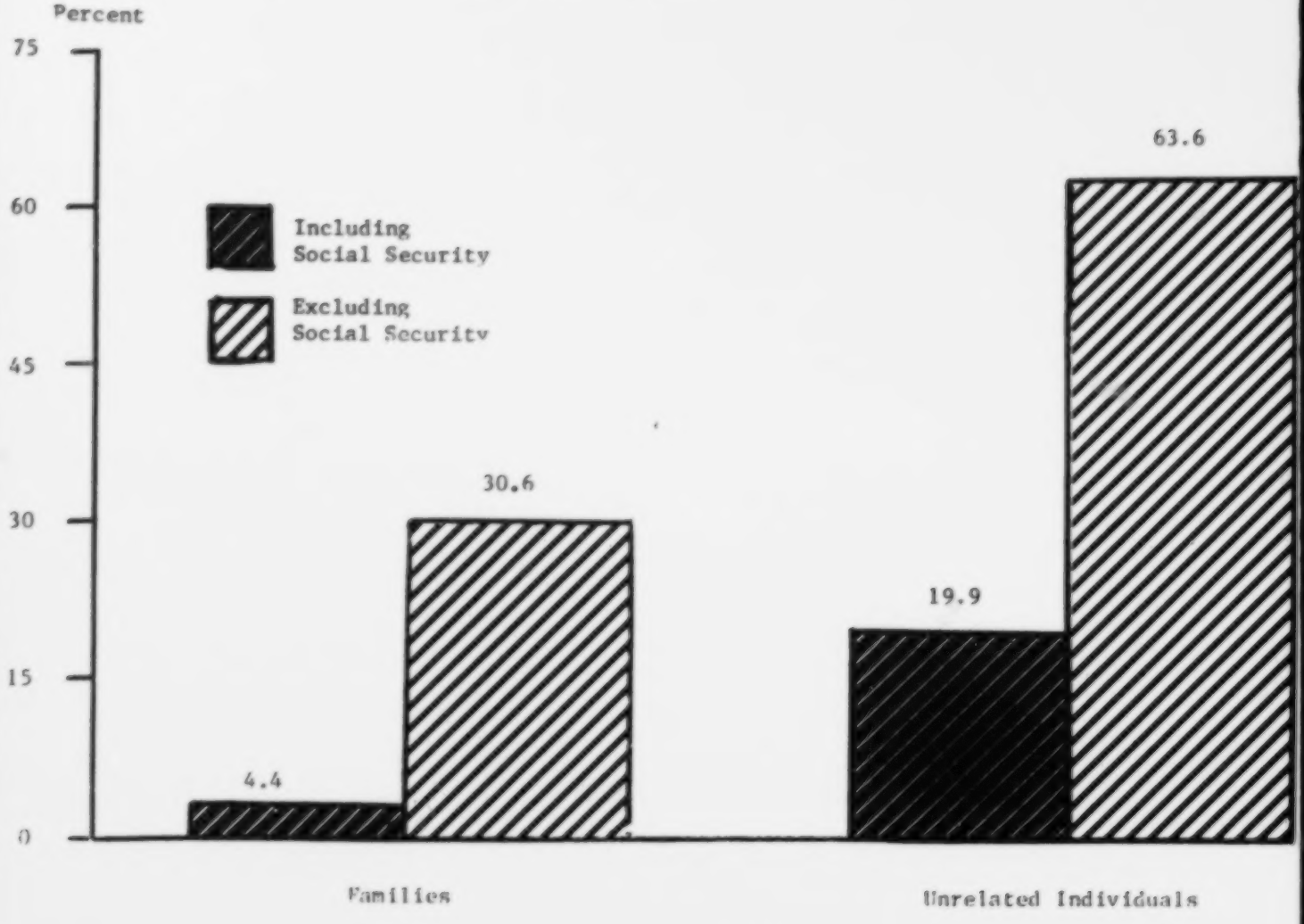

Figure 16: Percent of Elderly Families and Unrelated Individuals in Poverty, Including and Excluding Social Security, by Metropolitan Status, Wisconsin, 1979

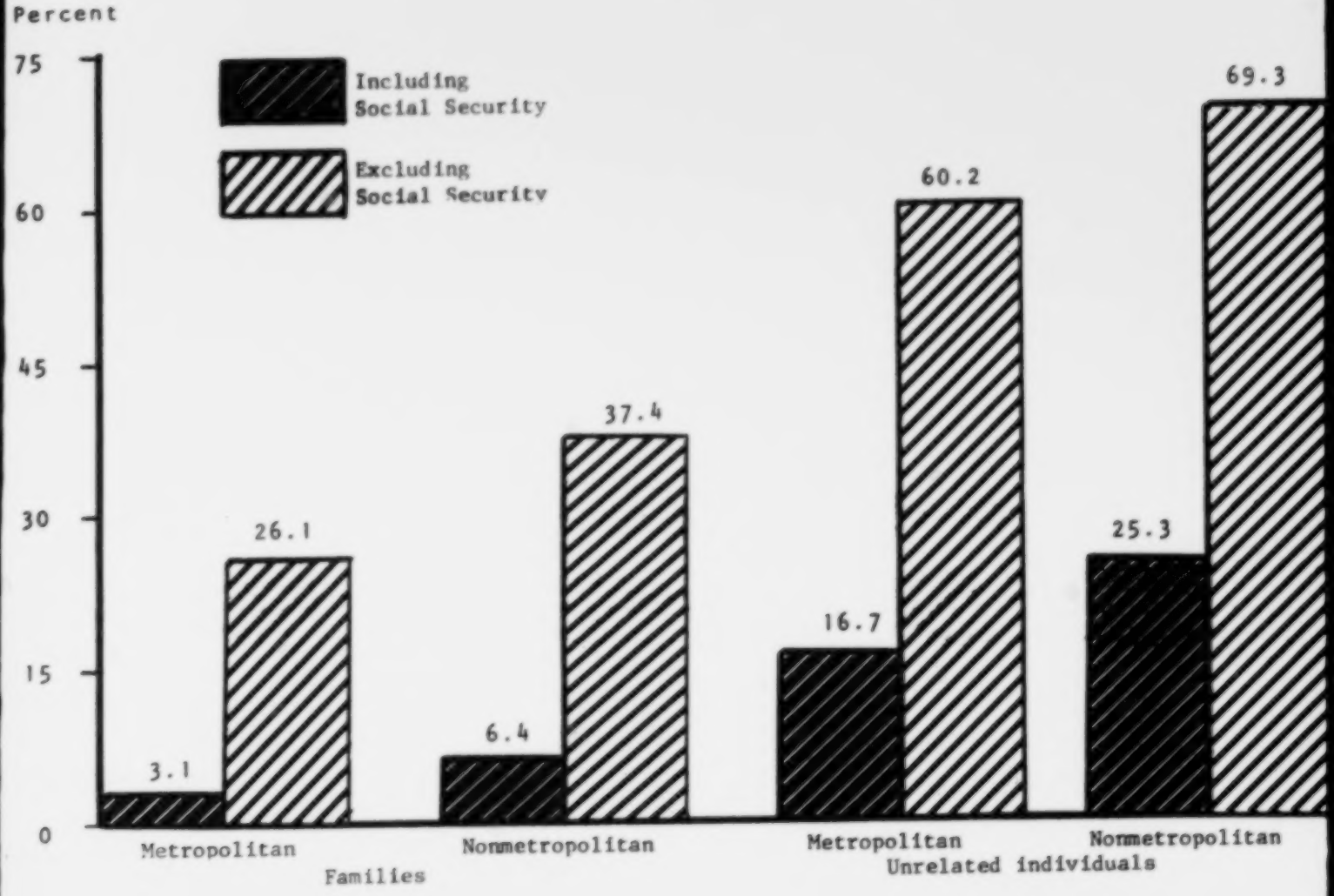

Table 1: Persons 65 Years and Over by Poverty Status by County, 1969 and 1979

County	County Population 65 Years and Over		Persons 65 Years and Over Below Poverty Level*		Percent of County Population Age 65 Years and Over In Poverty	
	1969	1979	1969	1979	1969	1979
Adams	1,450	2,167	520	267	35.9%	12.3%
Ashland	2,404	2,621	826	366	34.4	14.0
Barron	4,792	5,626	1,749	800	36.5	14.2
Bayfield	1,785	2,336	532	335	29.8	14.3
Brown	11,964	15,536	2,481	1,340	20.7	8.6
Buffalo	1,832	2,089	574	260	31.3	12.4
Burnett	1,734	2,160	610	387	35.2	17.9
Calumet	2,347	2,760	668	244	28.5	8.8
Chippewa	4,813	5,947	1,738	701	36.1	11.8
Clark	4,147	4,676	1,578	725	38.1	15.5
Columbia	5,106	5,849	1,238	588	24.2	10.0
Crawford	2,016	2,307	714	286	35.4	12.4
Dane	20,255	24,830	3,452	1,458	17.0	5.9
Dodge	7,435	8,936	1,655	843	22.2	9.4
Door	2,919	3,846	977	394	33.5	10.2
Douglas	5,006	5,839	1,265	592	25.3	10.1
Dunn	3,514	3,745	1,123	433	32.0	11.6
Eau Claire	6,707	8,000	1,681	755	25.1	9.7
Florence	455	662	145	99	31.9	15.0
Fond du Lac	8,776	9,980	2,168	1,069	24.7	10.7
Forest	987	1,323	405	165	41.0	12.5
Grant	5,288	6,026	1,769	941	33.4	15.6
Green	3,277	3,832	747	469	22.8	12.2
Green Lake	2,425	3,020	614	335	25.3	11.1
Iowa	2,327	2,411	773	329	33.2	13.6
Iron	1,110	1,324	321	192	28.9	14.5
Jackson	1,941	2,504	622	338	32.0	13.5
Jefferson	6,588	7,570	1,473	706	22.3	9.3
Juneau	2,461	3,171	931	379	37.8	12.0
Kenosha	10,452	12,333	1,939	762	18.6	6.2
Kewaunee	2,144	2,546	613	274	28.6	10.8
La Crosse	8,414	10,061	2,358	1,026	28.0	10.2
Lafayette	2,061	2,215	662	300	32.1	13.5
Langlade	2,687	3,105	1,105	397	41.1	12.8
Lincoln	2,998	3,739	840	385	28.0	10.3

continued

Table 1 (continued): Persons 65 Years and Over by Poverty Status by County, 1969 and 1979

County	County Population 65 Years and Over 1969	1979	Persons 65 Years and Over Below Poverty Level* 1969	1979	Percent of County Population Age 65 Years and Over In Poverty 1969	1979
Manitowoc	8,939	10,299	1,924	1,119	21.5%	10.9%
Marathon	9,309	11,406	2,868	1,315	30.8	11.5
Marinette	4,892	5,842	1,584	766	32.4	13.1
Marquette	1,608	2,084	427	264	26.6	12.7
Menominee	116	237	53	---	45.7	---
Milwaukee	103,561	112,625	18,862	7,829	18.2	7.0
Monroe	3,806	4,128	1,345	558	35.3	13.5
Oconto	3,393	4,110	1,292	600	38.1	14.6
Oneida	2,972	4,502	828	381	27.9	8.5
Outagamie	9,688	11,943	2,109	1,123	21.8	9.4
Ozaukee	3,836	5,386	650	316	16.9	5.9
Pepin	1,000	1,160	371	176	37.1	15.2
Pierce	2,788	2,938	901	356	32.3	12.1
Polk	3,727	4,692	1,099	689	29.5	14.7
Portage	4,146	5,401	1,197	755	28.9	14.0
Price	2,190	2,563	841	448	38.4	17.5
Racine	14,612	16,341	2,570	1,248	17.6	7.6
Richland	2,287	2,556	953	371	41.7	14.5
Rock	11,612	14,051	2,759	1,118	23.7	8.0
Rusk	1,911	2,223	827	269	43.3	12.1
St. Croix	3,339	3,796	893	434	26.7	11.4
Sauk	4,906	5,978	1,314	624	26.8	10.4
Sawyer	1,546	2,096	480	341	31.0	16.3
Shawano	4,271	5,285	1,534	746	35.9	14.1
Sheboygan	10,998	12,270	2,150	731	19.5	6.0
Taylor	1,964	2,389	815	429	41.5	18.0
Trempealeau	3,294	3,827	1,222	643	37.1	16.8
Vernon	3,573	4,082	1,576	687	44.1	16.8
Vilas	1,781	3,090	556	400	31.2	12.9
Walworth	6,747	8,605	1,640	764	24.3	8.9
Washburn	1,706	2,151	544	359	31.9	16.7
Washington	4,726	6,489	932	563	19.7	8.7
Waukesha	13,552	18,789	2,070	1,297	15.3	6.9
Waupaca	5,854	6,107	1,800	858	30.7	14.0
Waushara	2,471	3,252	756	433	30.6	13.3

continued

Table 1 (continued): Persons 65 Years and Over by Poverty Status by County, 1969 and 1979

County	County Population 65 Years and Over 1969	1979	Persons 65 Years and Over Below Poverty Level* 1969	1979	Pecent of County Population Age 65 Years and Over In Poverty 1969	1979
Winnebago	12,021	14,182	2,489	897	20.7%	4.9%
Wood	6,144	8,125	1,880	913	30.6	11.2
TOTAL	439,903	520,092	106,977	49,785	24.3%	9.5%

*Excludes inmates of institutions, members of the armed forces living in barracks, college students in dormitories.

--- Data suppressed.

Sources: 1970 Census of Population, 4th County summary tape; 1980 Census of Population and Housing: Advance Estimates of Social, Economic, and Housing Characteristics; 1980 Census of Population: General Population Characteristics.

Table 2: Percent Distribution of Wisconsin's Population Aged 65 and Over By Living Arrangement and Marital Status

Characteristics	Total		1979 Income Below Poverty	
	Male	Female	Male	Female
Living Arrangement				
Family Household	78.3%	51.2%	61.5%	22.9%
Lives with spouse	71.6	37.5	55.6	16.5
Nonfamily household	15.4	38.9	36.8	71.9
Lives alone	14.1	37.5	32.8	68.5
Group quarters	6.3	9.9	1.7	5.1
Total	236140	329580	14340	34080
Marital Status				
Married	74.4%	39.3%	57.9%	19.1%
Widowed	15.0	49.7	21.3	62.2
Other	10.6	11.0	20.8	18.7
Total	236140	329580	14340	34080

Source: U.S. Department of Commerce, Bureau of the Census, 1980 Census of Population and Housing, Public-Use Microdata Samples.

Table 3: 1979 Income Type by Living Arrangement and Poverty Status for Wisconsin Elderly

Living Arrangement	Total Aged 65+		Proportion of Elderly with Income from: Social Security		Wages, Dividends and Interest		Public Assistance		Private Pensions and Other	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
All Elderly										
Family household	184840	168700	88.1%	83.3%	73.5%	44.3%	4.3%	5.9%	37.0%	12.2%
Lives with spouse	169080	123740	88.3	81.3	75.2	40.5	3.8	3.3	37.7	9.7
Nonfamily household	36500	128140	90.6	92.5	63.6	67.6	9.9	12.1	33.6	23.8
Lives alone	33400	123500	90.9	92.7	64.9	67.7	9.5	12.1	34.3	23.8
Group quarters	14800	32740	43.6	51.1	18.6	16.4	5.9	5.1	31.4	16.0
Total	236140	329580	85.7	83.7	68.5	50.6	5.3	8.2	36.2	17.1
Elderly with 1979 Income Below Poverty										
Family household	8820	7820	74.6	60.9	31.3	13.0	7.3	7.2	5.9	2.3
Lives with spouse	7980	5640	77.2	55.7	33.8	9.9	5.8	1.1	6.0	0.4
Nonfamily household	5280	24520	83.3	86.4	30.7	39.7	7.6	11.3	8.7	8.5
Lives alone	4700	23360	84.3	86.6	31.9	40.2	7.7	11.1	9.4	8.6
Total	14100	32340	77.9	80.2	31.1	33.3	7.4	10.3	7.0	7.0

Source: U.S. Department of Commerce, Bureau of the Census, 1980 Census of Population and Housing, Public-Use Microdata Samples.

RURAL POVERTY IN WISCONSIN*

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Introduction

Poverty in our nation is both undesirable and subject to modification. It is useful to disaggregate the poverty population of the nation by characteristics (1) that are associated with the causes of poverty, or (2) that are associated with different responses to poverty programs and policies. Examining the former may help us explain why poverty exists, and thus provide insight into how it might best be prevented or cured. The latter may lead toward more effective alleviation of poverty's symptoms and the distress it causes.

Poverty is a national issue and much of the public response is through Federal programs and policies, but state and local units of government are also concerned and respond to poverty problems. In

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this report we turn from the national picture to focus on the circumstances in rural Wisconsin and in Wisconsin counties. We search for insights into Wisconsin poverty by disaggregating the population into rural nonfarm, farm, and urban persons. We also look for differences associated with age and sex of the householder, with being elderly, with receipt of Social Security or public welfare benefits, and with labor force participation.

Definition of Poverty

The poverty income thresholds for 1979, as shown in Table 1, are computed by the U.S. Bureau of Census. The standards are weighted for family size and age of the head of the household. For example, a family of four must receive income of less than $7412 per year in order to be classified as below the poverty level of 1979.

The idea of "being poor" implies being poor compared with someone else. The calculated poverty lines presented in Table 1 can be compared with the average income actually received by Wisconsin families as a subjective test of the "reasonableness" of this concept of poverty. Figure 1 allows one to compare the calculated poverty level incomes with the mean incomes received by Wisconsin families in 1979.

In 1979, the average Wisconsin family had income more than three times as high as the budgeted poverty line. Most persons acknowledge that a family with income near or below the poverty line would indeed lack economic well-being, when compared to the average.

The Number of Rural Poor in Wisconsin

The U.S. Bureau of the Census prepared three estimates of the number of "poor" persons in Wisconsin as part of the 1980 Census of Population. From that data estimates were made based on income below 75 percent of the Federal poverty level, below the poverty level (i.e., below 100 percent of the poverty level), and below 125 percent of the poverty level. Thus, if the Federal poverty thresholds presented in Table 1 seem too high or too low to properly reflect poverty in Wisconsin, estimates of the number of persons in poverty under two alternative measures are available.

Estimates from the Census data are presented in Table 2. "Rural" Wisconsin residents include persons in places of 2,500 population or less, the open country side, and on farms. All rural persons are subdivided into "farm" and "rural nonfarm" in Table 2. The "farm" population consists of persons living in rural places who have at least $1,000 in sales of agricultural products in a normal year. "Rural nonfarm" includes all other rural persons.

In the Census data a "family" consists of a householder living with one or more related persons. The usual family is a husband-wife combination with or without children. The related persons in the family may also include a second couple, such as a married son living with his parents, or may include other relatives such as parents, grandparents, or in-laws. By the Census definition there were 71,653 farm families plus 375,758 rural nonfarm families in Wisconsin in 1979. About twelve percent of the farm families and six percent of rural nonfarm families had incomes less than the

poverty level that year.

The term "persons" includes everyone living in families, or unrelated individuals, excluding only those persons residing in institutions. There were over 1.66 million persons living in rural Wisconsin in the last Census. There were estimated to be 39,277 persons living on farms whose incomes were below the poverty level, plus 110,440 nonfarm rural poor. This was 13.9 percent of all farm persons and eight percent of all rural nonfarm persons. At the same time, 8.5 percent of all urban persons in Wisconsin were in poverty. Of the approximately 400,000 Wisconsin persons in poverty, about 150,000 lived in rural areas and 250,000 lived in places with 2,500 population or more.

If a more inclusive definition of poverty is used that counts all persons whose income was 125 percent of the poverty level or less, some 226,000 persons in rural Wisconsin were poor in 1979.

Changes in Poverty Over Time

Current poverty levels with benchmarks from the past are reported in Figure 2. The heavy continuous line in the middle of the graph shows the percentage of all persons in the country who were in poverty for each year from 1960 to 1981. Persons in poverty became a smaller percentage of the total population until about 1969, declining from 22 percent in 1960. A leveling of the trend occurred in the decade of the seventies, at about eleven percent. The increase from 1978 to 1981 reflects the general economic problems of unemployment and inflation.

The lower dotted line in the figure connects the estimates in 1969, 1975, and 1979 for all persons (rural and urban) in poverty in Wisconsin, but does not show the level for the years between. The estimates show that the percentage of all persons in poverty in Wisconsin was below the percentage in the nation. The uppermost dashed line in Figure 2 connects the estimates of the percentage of all Wisconsin farm people in poverty in 1964, 1969, 1975, and 1979. The dashed line connecting the years does not show the year-by-year change but only a general path.

In spite of the data limitations, the following points emerge: (1) the percentage of farm poor in Wisconsin is higher than the percentage of all poor in the State, (2) the percentage of Wisconsin farm families in poverty is higher than the national poverty percentage, and (3) while the percentage of farm poor is lower than in 1964, it apparently fluctuated during the late 1970's, and has not gone away. Poverty among Wisconsin farm persons is considerably more prevalent than among the State population as a whole.

Location of the Rural Poor

The rural poor are dispersed in substantial numbers in all areas of Wisconsin. Rural poverty is not simply a problem of "the North." The incidence of poverty and the number of rural poor in all areas make poverty an issue of importance throughout the State.

The percentage and number of farm persons (not of farm families) with income below the poverty level are shown by counties in Figure 3, and for rural nonfarm persons in Figure 4. Shaded

counties are at or above the State mean in incidence (percentage) of poverty.

Percentages are lowest in the southeast third of the State and generally in counties with (or near) major urban centers, but even there the number of rural persons in poverty can be large even though the percentage of poor people is small by comparison within the State.

Employment Status and Poverty

Employment is an important determinant of family income and it might at first seem that persons that are working should not be in poverty. This is not necessarily the case, however, as part-time employment or full-time employment at a relatively low wage may result in annual income below the poverty threshold. In addition, self-employed persons, such as farmers, may be fully employed year round but may still fail to generate an adequate level of family income to meet family needs.

The 1980 Census provides data on the employment status of the person considered to be the "head of the household" in families. In the Census data, such a householder who worked forty weeks or more per year and who usually worked 35 or more hours per week, was considered to have worked "full-time". Less work effort than that was considered to have been "part-time" work. Additional householders were identified who "did not work" at all in 1979. It should be noted that for farm householders the employment might have been either on or off the farm or some combination of the two.

A summary of employment status by place of residence of the householder in Wisconsin families is presented in Table 3. While "urban" and "rural nonfarm" both define only a place of residence, the category "farm" carries an additional implication of occupation as well as place of residence. This is because the definition of "farm" is such that some person or persons must have produced $1,000 or more in agricultural products for a rural place to be called a farm. This aspect of the definition is probably reflected in the relatively large percentage of householders in farm families who are employed full-time at all degrees of poverty status, relative to urban and rural nonfarm families.

Among families in poverty, for example, 78 percent of the householders in the farm families worked full-time, while 29 percent and 17.6 percent of the householders in rural nonfarm and urban families were so employed. Among urban and rural nonfarm families in poverty who were near poor (had income between 100-124 percent of the poverty threshold), about 40 percent of the householders did not work. This is in contrast to about ten percent of the householders in farm families.

The implications of this difference for public policies to assist the poor should be examined. First, unemployment compensation based on past participation in covered wage work would not help farm operators or other self-employed persons whose past employment history does not include wage work. Other public aid programs for single parent families or families in which the parent or parents are currently unemployed would not reach the householders

on low income farms because of their full-time (or part-time) employment as farm operators, even though their employment resulted in an unacceptable level of family income.

Social Security Benefits and Poverty

Employment in wage work or as a self-employed person will generally result in receiving Social Security benefits after retirement or upon suffering certain kinds of disabilities. Benefits are a transfer over time from an individual's employment years to a later time of reduced income. Social Security benefits totalled $2.342 billion in Wisconsin in 1979, by far the largest single transfer program. They accounted for 42 percent of all transfer dollars that year. Census data regarding Social Security benefits and poverty are reported in Table 4.

Of particular interest in Table 4 are persons whose incomes were above poverty because of the Social Security benefits received. This included 13.5 percent of farm householders, 32.4 percent of the rural nonfarm householders, and 24.2 percent of the urban householders. The lower percentage for farm householders is influenced in part by the larger share of that group who did not receive Social Security benefits at all, about one third. Note again that "farm" denotes both an occupation and a place of residence. A retired farmer who received farm rent (instead of farm income) might live in the same rural dwelling as before but by definition would no longer live on a "farm". It would appear that a larger share of householders on farms are not yet retired, and many

of those who have retired and receive benefits show up by definition as rural nonfarm or urban residents.

Social Security was not designed as an income maintenance or welfare program. Earners in almost all occupations and at all income levels contribute to it during their earning years and later receive retirement or other benefits. Thus it is not surprising to find that many householders (42 to 49 percent of all householders) who received Social Security benefits would still have had above poverty incomes without that source of income.

Poverty and Public Assistance

In contrast to Social Security, which is a social insurance program that requires an earner to transfer money from the employment years to later retirement years, public assistance programs involve grants to persons who are deemed needy. They are transfers from the public (taxpayers) to disadvantaged persons who meet the program criteria.

The Census provides aggregated data on benefits received under three major programs: Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), and General Assistance. The AFDC program was initiated in 1935 to provide financial help to needy children deprived of support because of the death, incapacity, or absence of a parent. The program was designed primarily to aid families headed by women. In Wisconsin, families may be eligible due to father's unemployment. The federal and state governments share the cost of the program. It totalled $288 million in

Wisconsin in 1979, the largest income maintenance program after medical assistance.

Supplemental Security Income totalled $155 million that year in Wisconsin. It pays a nationally uniform minimum cash income to needy aged, blind, or disabled people. Their clientele are persons who are economically disadvantaged and, while their eligibility criteria may not correspond exactly with the poverty thresholds, it might be expected that these programs would mainly assist the poor. The Census data reported in Table 5 give some support to these expectations.

Self-employed persons such as farmers generally have difficulty meeting the unemployment criterion of AFDC and the retired or disabled criteria of SSI. As a result, 96 percent of the farm families and unrelated individuals on farms do not receive any transfers. About eleven percent of the farm families, as well as 25 percent of the unrelated individuals on farms, were in poverty and did not receive any transfers. It should be noted, however, that persons on farms are eligible for and do receive Food Stamps, an important transfer program not reported in the Census data.

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Figure 1: Mean Family Income vs. Poverty Level Income, Wisconsin, 1979

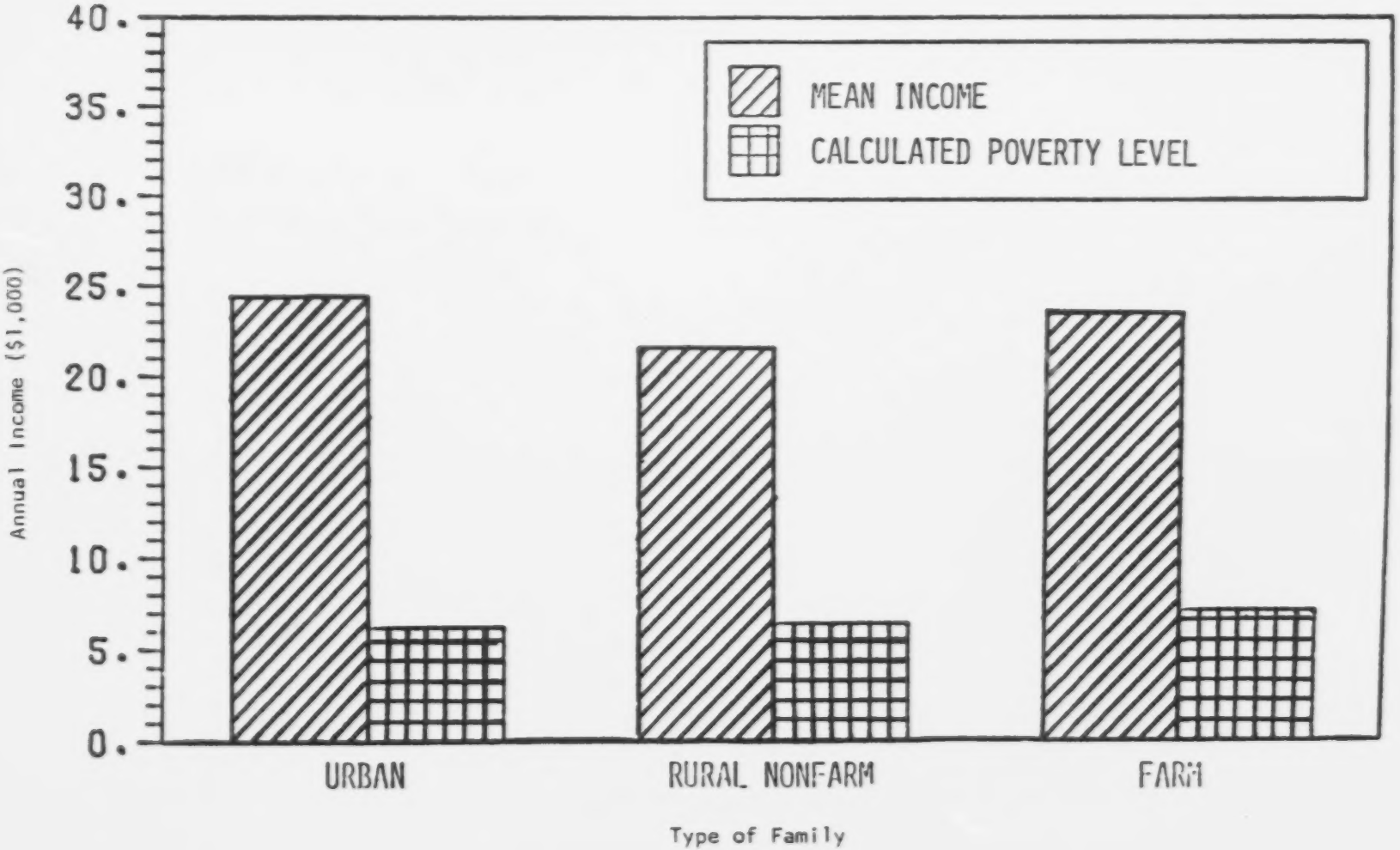

Figure 2: Percentage of Persons Below Poverty Level Income

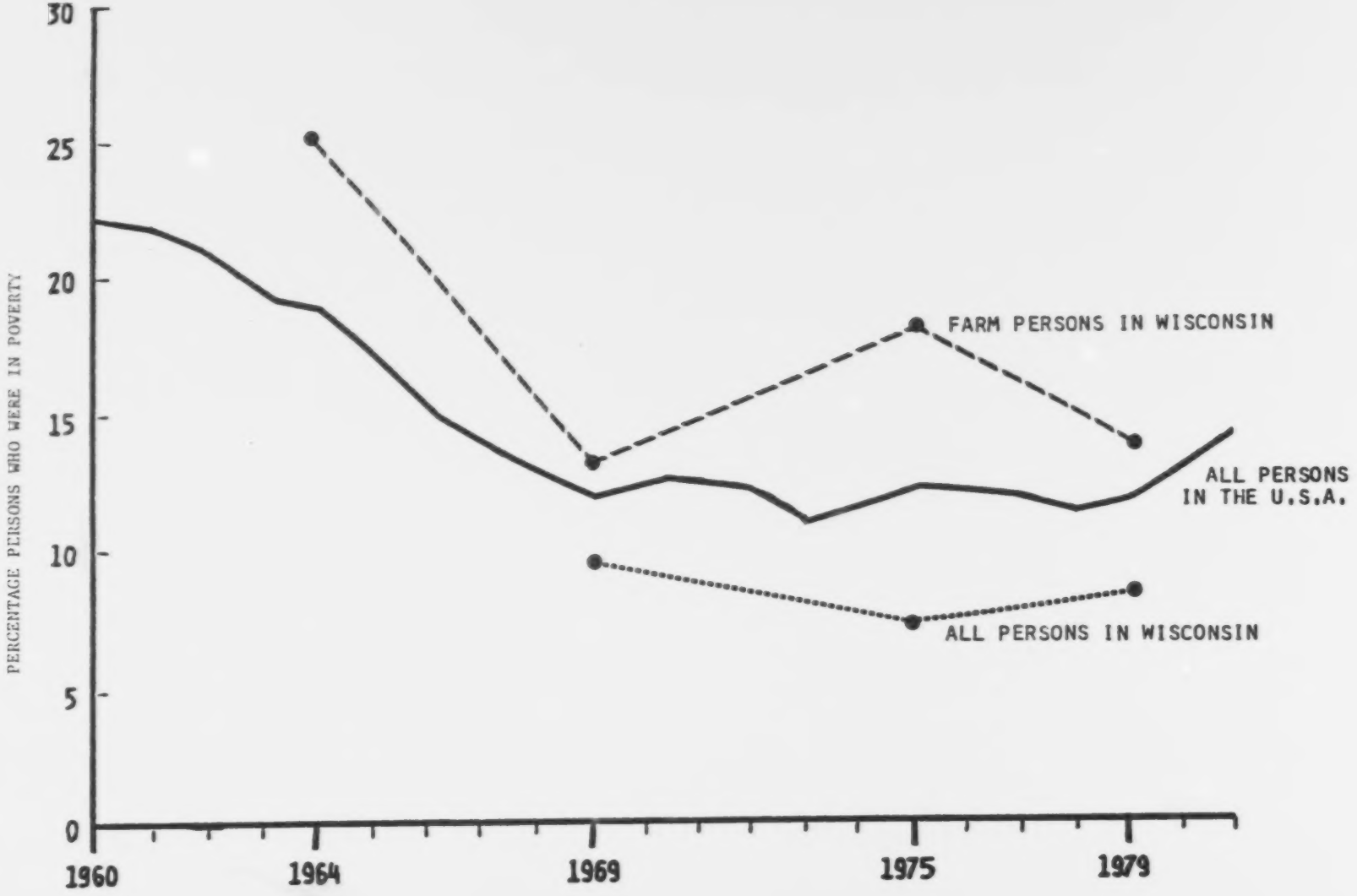

Figure 3: Estimated Percentage and Number of Farm Persons with Income Less Than Poverty Level, 1979.

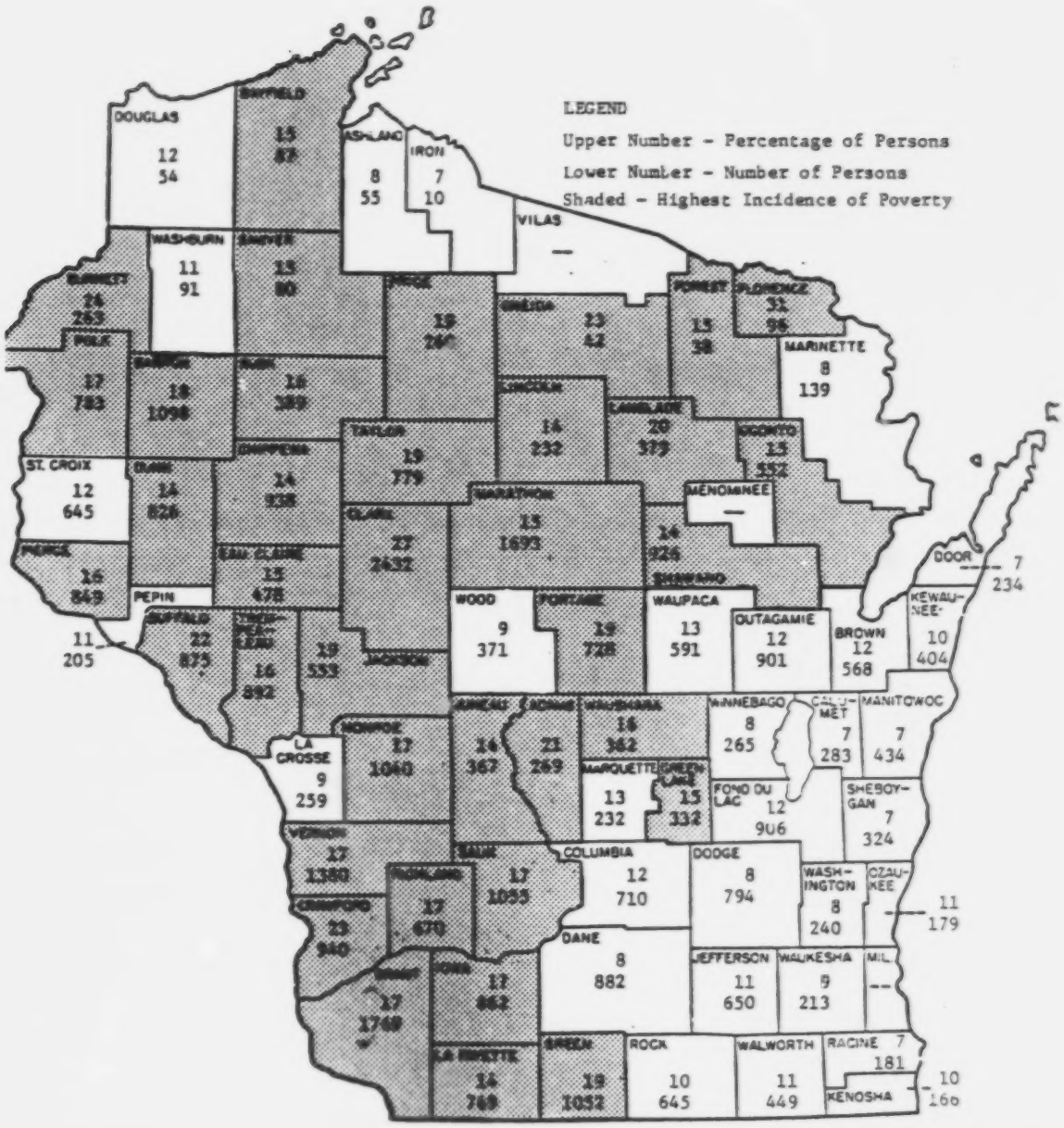

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Figure 4: Estimated Percentage and Number of Rural Nonfarm Persons with Income Less Than Poverty Level, 1979.

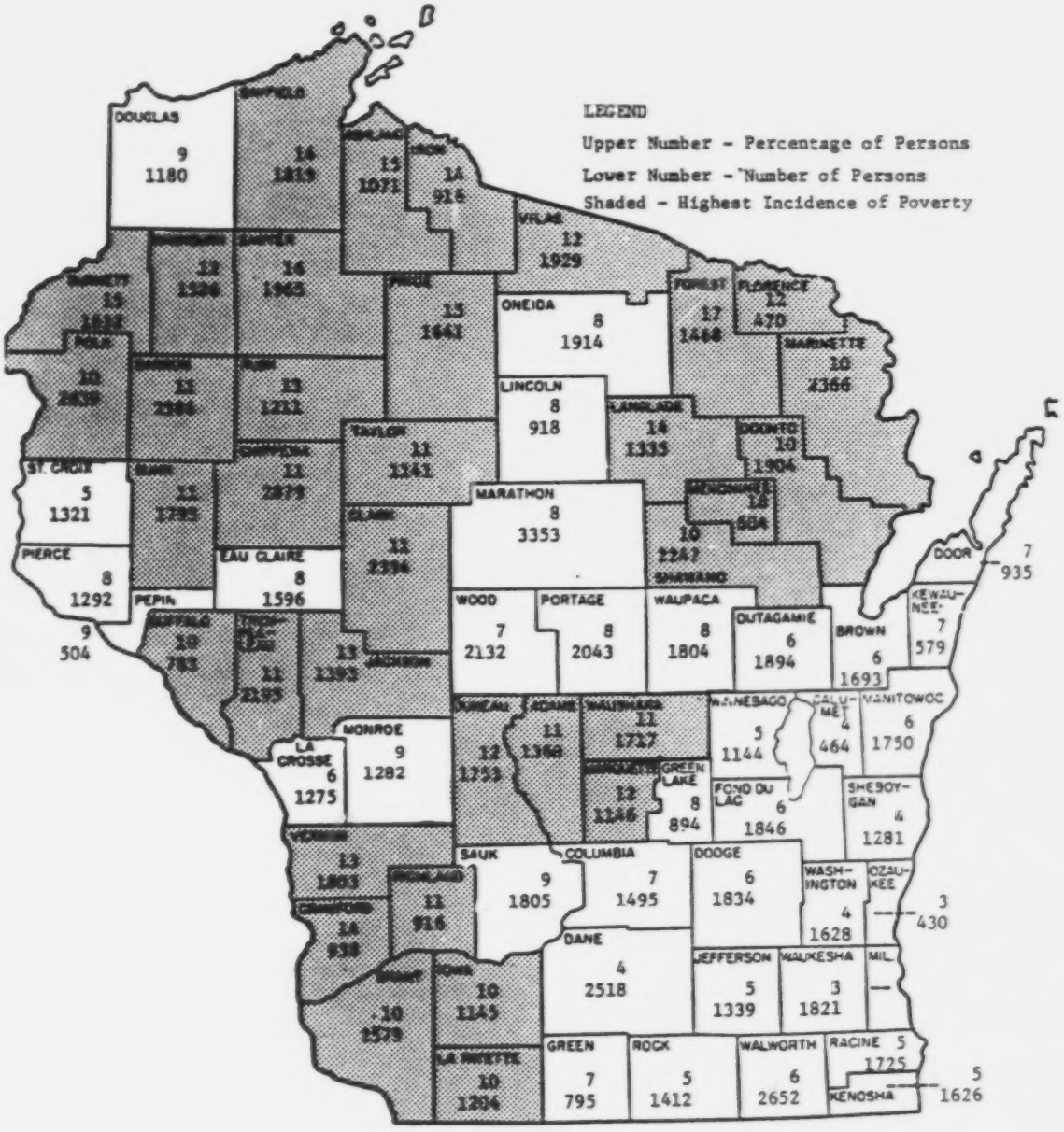

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Table 1: Federal Poverty Line Income by Family Size and Age of Head, 1979

Family Size	Age of Head	Poverty Threshold
1	under 65	$ 3,774
1	65 or older	3,479
2	under 65	4,876
2	65 or older	4,389
3	all ages	5,787
4	all ages	7,412
5	all ages	8,776
6	all ages	9,915
7	all ages	11,237
8	all ages	12,484
9 or more persons	all ages	14,812

Table 2: Families and Persons by Three Levels of Poverty, Wisconsin, 1979

	Farm		Rural Nonfarm		Urban	
	(Number)	(%)	(Number)	(%)	(Number)	(%)
Families						
All Families	71,653	--	375,758	--	767,612	--
Income less than 75% of poverty threshold	5,825	8.1	13,474	3.6	25,332	3.3
Income less than 100% of poverty threshold	8,401	11.7	23,586	6.3	45,153	5.9
Income less than 125% of poverty threshold	11,508	16.1	37,649	10.0	64,073	8.3
Persons						
All Persons	282,307	--	1,380,450	--	2,919,248	--
Income less than 75% of poverty threshold	27,101	9.6	66,013	4.8	151,801	5.2
Income less than 100% of poverty threshold	39,277	13.9	110,440	8.0	248,096	8.5
Income less than 125% of poverty threshold	53,408	18.9	173,201	12.5	354,808	12.2

Table 3: Employment of householder by poverty status and place of residence, Wisconsin families, 1979

	Farm	Rural Nonfarm	Urban
Families in poverty (number)	8,401	23,586	45,153
Employment of householder:			
Full time	78.2%	29.0%	17.6%
Part time	10.8	29.8	33.5
Did not work	11.0	41.2	48.9
	100.0%	100.0%	100.0%
Families near poverty[a] (number)	3,107	14,063	18,920
Employment of householder:			
Full time	78.0%	33.2%	27.5%
Part time	12.4	24.7	36.2
Did not work	9.6	42.1	36.3
	100.0%	100.0%	100.0%
All other families (number)	60,145	338,109	703,539
Employment of householder:			
Full time	80.8%	70.0%	72.3%
Part time	12.1	14.4	12.3
Did not work	7.1	15.6	15.4
	100.0%	100.0%	100.0%

[a]Families "near poverty" had income in 1979 between 100 and 124 percent of the poverty threshold.

Source: Data from Table PB110, 1980 Census of Population.

Table 4: Relationship between poverty status and receipt of Social Security benefits for householders and unrelated individuals age 60 and older, Wisconsin, 1979.

	Farm	Rural Nonfarm	Urban
Householders age 60 and older (number)	17,543	90,550	172,630
Received Social Security Benefits:			
Were in Poverty	4.8%	5.6%	2.0%
Were above poverty because of Social Security	13.5	32.4	24.2
Were above poverty without Social Security	47.1	42.2	49.1
Did not receive Social Security Benefits:			
Were in poverty	2.7	1.3	0.8
Were above poverty	31.9	18.5	23.9
	100.0%	100.0%	100.0%
Unrelated Individuals age 60 and older (number)	3,802	55,231	146,147
Received Social Security Benefits:			
Were in poverty	14.6%	23.2%	12.9%
Were above poverty because of Social Security	76.5	42.4	44.7
Were above poverty without Social Security	33.7	20.0	25.7
Did not receive Social Security benefits:			
Were in poverty	6.8	4.7	4.0
Were above poverty	18.4	9.9	12.7
	100.0%	100.0%	100.0%

Source: Data from tables PB106 and PB107, 1980 Census of Population

Table 5: Relationship between poverty status and receipt of AFDC, SSI, or General Assistance benefits by families and unrelated individuals, Wisconsin, 1979.

	Farm	Rural Nonfarm	Urban
Families (number)	71,653	375,758	767,612
Received AFDC, SSI, or general assistance:			
Were in poverty	.5%	1.3%	2.6%
Were above poverty because of public assistance benefits	.4	1.2	1.3
Were above poverty without public assistance benefits	2.8	3.9	4.2
Did not receive AFDC, SSI, or general assistance:			
Were in poverty	11.2	5.0	3.3
Were above poverty	85.1	88.6	88.6
	100.0%	100.0%	100.0%
Unrelated Individuals (number)	9,531	116,705	447,147
Received AFDC, SSI, or general assistance:			
Were in poverty	1.9%	2.5%	1.6%
Were above poverty because of public assistance benefits	1.2	4.2	2.4
Were above poverty without public assistance benefits	.8	1.5	1.3
Did not receive AFDC, SSI, or general assistance:			
Were in poverty	25.3	21.4	19.7
Were above poverty	70.8	70.4	75.0
	100.0%	100.0%	100.0%

Source: Data from tables PB108 and PB109, 1980 Census of Population

EVALUATION OF IMPACTS OF THE REAGAN BUDGET CUTS ON WISCONSIN FOOD STAMP COSTS AND CASELOAD*

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I. Introduction and Study Plan

The Omnibus Reconciliation Act of 1981 (OBRA) tightened food stamp and AFDC income eligibility rules, reduced food stamp benefit entitlements for some recipients, and drastically restricted AFDC recipients' ability to combine program benefits with their own earnings. Before OBRA, AFDC recipients were encouraged to work by more generous deductions for work-related expenses and by reducing AFDC benefits for earnings at a much lower rate than after OBRA. (However the OBRA increase in the AFDC benefit reduction rate on earnings takes effect during the fifth month a household is on AFDC.) Because about half of all food stamp recipients receive AFDC, the increased AFDC work disincentives under OBRA would also be expected to affect food stamp costs and caseload. Changes in AFDC benefits meant changes in food stamp payments for households receiving both programs because AFDC is counted against food stamp benefits. For AFDC recipients without food stamps, the reduced opportunity to gain from working greatly increased their incentive to use food stamps. Thus, understanding OBRA's effects on the food

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stamp program requires analysis of relationships between earned income and program benefits before and after OBRA for both food stamps and AFDC.

Two kinds of data available for Wisconsin in the periods before and after OBRA provided an opportunity to evaluate OBRA effects for this study. A representative sample of about 1200 individual households was available from the Wisconsin Basic Needs Survey (BNS), along with monthly caseload data for the entire state from the Wisconsin Computer Reporting Network (CRN). As explained below, the BNS provided more information and thus the study was organized primarily to exploit that survey.

The remainder of this section discusses the study goals and the advantages and disadvantages of the two Wisconsin data bases. Section II evaluates ways in which the OBRA changes in food stamp and AFDC regulations were expected to influence the food stamp program. It distinguishes between the food stamp changes which occurred before the AFDC changes were implemented (OBRA Phase I) and the additional influences from later AFDC changes (OBRA Phase II). The third section of the paper provides an overview and analysis of changes in the Wisconsin food stamp and AFDC programs as documented by the CRN and from summary statistics from the BNS. Section IV analyzes ways in which OBRA affected the food stamp caseload by comparing BNS sample household benefit recipiency characteristics during the two phases of OBRA. The important advantage of this comparison is that the BNS permits analysis of ways in which changes in food stamp eligibility influenced the caseload.

Study Goals and Organization

The major goals of this study were to understand the following aspects of OBRA:

1. Linkages between changes in food stamp regulations and impacts on the AFDC program, and vice-versa.
2. Changes in the Wisconsin food stamp caseload and food stamp and AFDC benefits for Wisconsin households as a result of OBRA.
3. Changes in Wisconsin household earnings as a result of OBRA.

The timing of the BNS interviews must be discussed to explain how this study was organized to meet these three goals. Other specifics of the survey will be explained below.

After a personal interview which obtained data for calendar year 1980, the sample was randomly divided into four separate panels for subsequent telephone interviewing about household income and expenditures during the previous month. As shown in Table 1, these interviews referred respectively to months in Summer and Fall 1981 and then in Winter 1982.

The Summer 1981 interviews occurred before OBRA was implemented. The OBRA food stamp changes began in October 1981. Thus for the second, third, and fourth randomly selected interview panels, the Fall 1981 interview refers to the post-OBRA period insofar as food stamps alone are concerned. Much of this report is based on comparisons between Summer and Fall 1981 data provided by these three interview panels.

The new AFDC regulations became effective in January 1982. Households with earners who had been on the program for four months

prior to January 1982 were notified of the impending changes in their benefits under OBRA during that month. The BNS Winter interviews refer to the early period in which both of the new OBRA policies were in effect. This fortuitous timing of interviews permits analyses of two separate phases of OBRA: the first, in which only the new food stamp rules were operant; and a second, for which these new rules and the new AFDC policy were both in effect. Likewise, much of the analysis was conducted in two stages, comparing first Summer to Fall 1981 data, and then Fall 1981 to Winter 1982 data. Furthermore, some comparisons of the Summer 1981 to the Winter 1982 data were used to provide a perspective on the overall impact of the administration's new welfare policy for Wisconsin.

Although pre- and post-OBRA comparisons have been used as the basis for other studies of OBRA, the Wisconsin data are unique in that they are taken from a sample of all households (including those not on the AFDC or food stamp rolls) who may have behaved differently after OBRA than before with respect to program participation. As in other studies, there is a major difficulty in understanding OBRA effects in Wisconsin because unemployment continued to increase after OBRA became effective. This had a separate and confounding effect on the earnings and benefits of low income households. In addition, some peculiarities of Wisconsin as a study site should be mentioned. Perhaps the most important of these is that Wisconsin is by no means average. With respect to welfare generosity, it provides relatively high AFDC benefits and

coverage. Less important are the facts that (1) Wisconsin Supplemental Security Income (SSI) recipients are not eligible for food stamps because their food stamp benefit is provided for in their Wisconsin SSI Supplement payment, and (2) Wisconsin has an automated benefit determination and delivery system for both food stamps and AFDC.

Another important fact about Wisconsin is that a relatively high percentage of its AFDC households did not receive food stamps before OBRA. In Wisconsin, 35 percent of AFDC recipients did not get food stamps in 1980. In part, this is due to the relatively generous treatment of work-related expenses in the Wisconsin AFDC program which allowed more Wisconsin households with earnings to rely on AFDC along with their earnings and thus to forego their relatively small food stamp benefits before OBRA. After OBRA restricted income eligibility for AFDC, Wisconsin households had a greater incentive to obtain food stamps than did those in some other states.

The Wisconsin Basic Needs Survey (BNS)

The longitudinal data for detailed analyses of OBRA impacts was collected by the Institute for Research on Poverty Wisconsin Basic Needs Assessment project. Maurice MacDonald was a principal investigator for the project, which began in 1980. Financial support was provided by the Office of Research and Statistics of the Social Security Administration, Department of Health and Human Services, and by the Wisconsin Department of Health and Social Services' Bureau of Economic Assistance.

Detailed information on program participation and benefits, as well as important financial and demographic characteristics, were obtained from an original sample of 2718 Wisconsin households (see Table 2). This total sample included 1220 households representing a cross section of the State's population, supplemented by oversamples of 330 AFDC cases, 226 female-headed households, 485 households headed by an aged person, and 457 low-income households. (To enhance our ability to study program eligibility, low income was defined as below 140 percent of the food stamp program's income eligibility limit.) The sampling list for the AFDC cases was obtained from the Department of Health and Social Services. Random digit dialing with telephone pre-screening was used to obtain the other three oversamples.

A personal interview was obtained in March 1981 from 1821 members of the original sample, for an initial response rate of 67 percent. The reference period for that interview was calendar 1980. It focused on 1980 household income, assets, and other characteristics.

After the initial interview, respondents were allocated to four separate panels for reinterviews by telephone. These reinterviews were conducted monthly after March 1981 for 17 months. Each household was interviewed four times after the initial personal interview. The first three telephone interviews referred to the previous month in 1981 or 1982, while the fourth and final telephone interview was for the entire 1981 calendar year.

In all three monthly telephone interviews extensive information was collected about each household member's program participation and benefits, and other income sources and amounts. In addition, information to update the household roster was obtained, along with detailed reports about household consumption expenditures. By the time of the third telephone reinterviews, the response rate had dropped to 49 percent of the entire original sample and differential attrition had occurred among the subsamples.

One important reason for the low initial response rate for the AFDC subsample was that members were not personally visited, nor were they contacted by telephone. Instead, AFDC sample cases received a letter requesting their permission to be interviewed along with a return postcard for their response. The low initial response rate problem was mitigated by the fact that the female-head and low-income sampling groups also contained AFDC recipients.

An analysis was conducted for sample nonresponse and for attrition from the survey between interview waves. The analysis focused on two main issues. The first was that the sample actually obtained for the first interview differed from that which was originally intended because of the differential nonresponse across sample types. Despite this fact, it was possible to derive a new set of sample weights to produce a valid representative sample of the Wisconsin population for the Summer 1981 telephone interviews.

The second issue was whether the households who did not respond to the Fall 1981 or Winter 1982 interviews had systematically different characteristics than those who remained in the survey.

Many different characteristics were examined for this purpose. Although there were some statistically significant differences between waves for certain characteristics, their magnitude was not found to be important. Therefore, the Summer 1981 weights were applied to all three monthly interviews to get representative samples of Wisconsin households during Summer 1981, Fall 1981, and Winter 1982.

Based on those same results, it was possible to analyze OBRA effects by restricting the analysis samples to households who responded to the relevant monthly interviews. Hence, the sample for analysis of the OBRA food stamp changes alone consisted of households who responded to both the Summer and Fall 1981 interviews, while for the analysis of both the food stamp and AFDC changes the sample included only those members who had responded in both Fall 1982 and Winter 1982. The number of cases therefore differs between the two analyses. In addition, some respondent households failed to provide enough information about certain key variables and were thus excluded from the analysis samples. These key variables were respondent or household earnings, and the benefit amounts from AFDC, General Assistance, Food Stamps, Social Security, or Supplemental Security Income.

Food Stamp Eligibility Determination. Probably the most important change in the food stamp program under OBRA was the new gross income limit for eligibility, set at 130 percent of the OMB poverty line. Separating food stamp eligibles from ineligibles provides a perspective on Wisconsin households which is helpful in

understanding the participation impacts of all of the OBRA provisions. The BNS monthly interviews obtained the income and expenditure information necessary to determine household countable net income (pre-OBRA) and gross income (post-OBRA) for comparison with the relevant food stamp income limit. In particular, the interviews contained questions about household shelter costs and expenses for the care of dependents. These permitted computation of the combined excess shelter-cost dependent care deduction. For shelter costs, the Wisconsin standard allowances for utility payments were added to reported household rent if the household's rent did not include those utilities. The rent amount was used alone if all utilities were included. For homeowners, all regular home ownership costs were added to the standard utility allowances. Dependent care expenses included payments for child care for employed household members, and for nursing care and household help to care for elderly dependents.

The Basic Needs data were less ideal for the food stamp program resource limits on assets. Comprehensive asset information was collected during the first personal interview in Spring 1981, but was not updated during the monthly telephone interviews. The assets test was therefore performed for each telephone interview as if the household's assets had not changed since Spring 1981. Furthermore, the list of assets was limited only to liquid assets, and did not include some other countable resources (such as certain vehicles not used for employment). Although it is generally unlikely that many of the household's assets changed very much within the period of

interest, some (e.g., those who became unemployed and had insufficient unemployment compensation benefits) may have reduced their assets as the recession progressed during 1981, which would have changed their food stamp eligibility status. This potential bias in food stamp eligibility classification is probably somewhat greater for the Fall 1981 to Winter 1982 comparisons because by then more time had elapsed since Spring 1981, and because unemployment increased more rapidly in late 1981.

II. Evaluating OBRA Food Stamp and AFDC Policies

Expected Impacts of the OBRA Food Stamp Changes (Phase I)

To save food stamp program costs, OBRA restricted benefit entitlements and reduced both the income limit for eligibility and the deduction from earnings. After further evaluating these changes, their interaction with the new AFDC rules will be considered.

1. Restricted Benefits. Much of the cost savings were to be accomplished by delaying scheduled benefit increases with a freeze or adjustment to the cost of the Thrifty Food Plan, and by freezing dollar limits on what had been indexed deductions from countable income. Because the rate of inflation fell after OBRA, delayed indexation necessarily saved less than anticipated. Other new restrictions have therefore been more important than might have been expected. One of these is the switch from paying an entire month's benefits to prorating the first month's benefits according to the number of days remaining in the month. Also important are the

miscellaneous provisions restricting benefit availability for specific small portions of the caseload (boarders, strikers, aliens, and college students).

2. Reductions in the Income Eligibility Limit. OBRA established a gross income limit at 130 percent of the official poverty line for all households except those containing an elderly or disabled person. Before OBRA, income eligibility referred to net income and the limit was set at the official poverty line. Because net income was computed after allowable deductions for 20 percent of earnings, an $85 standard deduction, and up to $115 in countable shelter costs and/or dependent care expenses, households with substantial earnings could have had gross incomes greater than 130 percent of the poverty line and still qualify for benefits because their net incomes were below the pre-OBRA income poverty limit. Thus, the new limit on gross earnings made some recipients' households with relatively high earnings, or other income (e.g., AFDC or Unemployment benefits) ineligible. Some of these households might have worked more hours after they became ineligible to replace the food stamps they lost. This type of labor supply response would not have changed the impact of the new eligibility limit on program costs and caseloads.

3. Reduction in the Earnings Deduction. The food stamp benefit reduction, or tax rate, on earnings was increased in that the earned income deduction was set at 18 percent instead of the 20 percent allowed before OBRA. It is unlikely that this small reduction in the net gain from working while on the program induced any labor supply response.

Another reason that OBRA may have changed food stamp costs and caseload is that potential recipients may have become confused or stigmatized by the media attention to the Reagan budget cuts, such that more eligibles may have decided not to apply for benefits than normally would have. Still, the two main changes in food stamp program structure that affected incentives to participate or to work were the new gross income limit and the reduced earned income deduction. Because the change in the earned income deduction was small, the main effect of the OBRA food stamp change was simply to eliminate eligibility for recipients whose gross incomes exceeded 130 percent of the poverty line. It is also worth repeating that those recipients who lost eligibility may have worked more to replace their food stamps.

Additional Impacts from the OBRA AFDC Changes (Phase II)

Because most AFDC households are eligible for food stamps, and the majority receive them, understanding the most important OBRA impacts on the food stamp program also requires discussion of the food stamp and AFDC changes together.

1. Reduction in the Income Eligibility Limit. Before OBRA, AFDC recipients with relatively high work-related expenses could have had incomes above the new AFDC income eligibility limit at 150 percent of the State's AFDC needs standard and thus received AFDC until their earnings after deductions rose to eliminate their AFDC payment. With the new income limit, eligibility ends much more abruptly. According to Wisconsin Department of Health and Social Services estimatec on the immediate impacts of OBRA in Wisconsin,

about five percent of the AFDC cases had their eligibility terminated for this reason. To the extent that terminees who were not receiving food stamps responded by reducing their earnings in order to re-enter AFDC and by taking food stamps, the food stamp caseload may have increased because of the new AFDC limit.

2. Reduced Incentives to Work While on AFDC. The changes in the AFDC benefit reduction rate are particularly important because of behavioral responses that would have affected AFDC benefits and earnings, countable against food stamp benefits. Before OBRA, AFDC did not tax the first $30 of earnings, and the remainder was taxed at a 67 percent rate. However, the actual effective benefit reduction rate was substantially less than 67 percent because of allowable deductions for work-related expenses. Now, after four months on AFDC, the benefit reduction rate on earnings rises to 100 percent, and there are much more restrictive deductions for work-related expenses and child care. The work expense deduction was capped at $75 per month, whereas prior law required work expenses to be itemized but imposed no limit on the amount deducted. Similarly, the childcare deduction was capped at $160 for the first child, and $120 for each additional child.

Over a longer period, those households that desire a higher total income than now provided by AFDC alone or by AFDC and food stamps have a much stronger work incentive to become self-sufficient than they did before OBRA. However, another likely response to the new AFDC rules is to reduce work hours because of the dramatic

increase in the benefit reduction rate. Figure 1 illustrates these potentially different effects of OBRA.

In Figure 1, line OR represents the earnings opportunities available to a household without AFDC. If the household received AFDC before OBRA the household could combine its earnings with AFDC, to have the income opportunities described by OGBR. The reduced gain per hour of work in the range GB reflects the AFDC benefit reduction rate before OBRA. After OBRA the increase in the benefit reduction rate to 100 percent of earnings after four months on the program changes the income opportunities to those represented by OGCBR. In the range GC, additional work hours will not increase total household income while on AFDC. A household with the pre-OBRA work hours and income represented by point 1 in the range GB can decide to quit work entirely (since there is no benefit to work in the range GC) and remain on AFDC, or to increase work hours by moving to a point like 2, off AFDC and with more earnings. For those who chose to quit work, AFDC benefits actually increased.

Effects on the Food Stamp Caseload from OBRA/AFDC Changes

For AFDC households who were receiving food stamps before OBRA, the reduced welfare income opportunities after OBRA would increase their incentive to remain on the food stamp program as long as possible to cushion the AFDC changes. This would tend to increase the duration of their food stamp recipiency and thus raise the number of post-OBRA food stamp cases relative to the pre-OBRA

period. For AFDC households who were not receiving food stamps before OBRA, the AFDC changes increase their incentive to join the food stamp program, which would also increase the food stamp caseload relative to the pre-OBRA period. Hence an important implication of the OBRA-AFDC changes is that the reduced opportunity to combine earnings and AFDC would be expected to increase the food stamp caseload. The food stamp cost savings from OBRA would therefore be reduced during the second phase, in which both the food stamp and AFDC changes were in effect. More generally, the analysis of the AFDC changes reveals that an understanding of the effect of OBRA on the food stamp program requires that we consider all households, including those who did not receive food stamps before OBRA.

These insights into the most important OBRA-AFDC changes affecting the food stamp program have been derived from analysis of the work-other activities choice. Other aspects of the 1981 AFDC legislation could also have affected the behavior of low income households.

- A new AFDC limit on assets may have reduced the pool of households eligible for both AFDC and food stamps and thus changed the mix of households who received both. OBRA limited the maximum value of real and personal property allowed for AFDC eligibility to $1,000, excluding the home, a car, and "basic items" such as clothing and furniture. Furthermore, states are also no longer allowed to exclude liquid assets and income-producing property from the determination of household resources. In Wisconsin, about three percent of the caseload lost their eligibility because of this provision.

- With respect to participation and labor supply responses, another concern is that OBRA greatly expanded the power of states to initiate compulsory work experience and work registration and job search programs under the new Community Work Experience Program (CWEP). During the period analyzed for this report, Wisconsin did not change its work requirement policies for AFDC households.

- OBRA permits states to count food stamps and housing subsidies as income and thus to reduce AFDC benefits up to the amount allocated for food and shelter in the state needs standard. This provision was not adopted in Wisconsin.

- If a family receives a lump sum payment, it loses eligibility for the number of months equal to that payment divided by the needs standard. Under the previous law, the household would lose at most one month of eligibility for a one-time lump sum payment.

- Under OBRA, step-parent income is to be treated in the same way as custodial parent income after deductions are made for the support of step-parents' dependents. This probably reduced the number of relatively high income AFDC recipient households.

- OBRA also redefined the household eligible for AFDC in two other ways. First, students not in high school are not eligible. Previously, AFDC benefits were available for students up to age 21 at state option. Second, pregnant women are no longer eligible until the seventh month of their pregnancy.

- Also relevant for AFDC households is that some states have instituted charges for Medicaid usage that may affect perceptions of the gains from receiving welfare.

Although it was not feasible to examine these aspects of welfare generosity in this study, their potential confounding influence serves as a precaution against drawing too finely grained inferences from pre- and post-OBRA data presented in the next two sections.

III. Overview of Post-OBRA Changes in Wisconsin Program Costs and Caseload

This section is intended to provide a general understanding of how Wisconsin food stamp and AFDC program characteristics changed during the two separate phases of OBRA. It also considers the role of changing unemployment rates. We begin with aggregate caseload data from the Wisconsin Computer Reporting Network and then turn to summary statistics from the Basic Needs Survey.

Figures 2 and 3 display the food stamp and AFDC program caseload trends and fluctuations for Wisconsin since 1975. The discontinuities at the beginning of 1979 correspond to the elimination of the purchase requirement in the Food Stamp program. For the period before 1980, the caseloads for the AFDC-regular and AFDC-unemployed parent and food stamp programs all display seasonal increases during Winter and then a leveling off until mid-Summer. The graph for AFDC-unemployed also shows the direct influence of the economic cycle, and these cyclical movements are reflected in the pre-1980 food stamp caseload as well.

During 1980 Wisconsin tied delivery of federal energy assistance payments to food stamp eligibility, which accounts for the dramatic rise in the food stamp caseload during Winter 1981. In that same year, all counties were finally added to the Wisconsin Computer Reporting Network. Unfortunately, these facts prohibit any useful comparison between 1980-1981 and 1981-1982 food stamp and AFDC caseload trends to detect the influence of OBRA relative to normal seasonal caseload fluctuation.

Nevertheless, the onset of the new food stamp regulations is clearly visible as the drop in the food stamp caseload during late 1981--a period in which seasonal increases in that caseload would normally occur. That food stamp decline was immediately reversed with the implementation of the new AFDC regulations in January 1982, and the drastic drop in the AFDC caseload at that time displays this change more directly. Because of the contemporaneous rise in

unemployment, the AFDC-unemployed caseload continued to grow throughout 1981 and 1982.

Table 3 provides further aggregate details from the Wisconsin Computer Reporting Network about average program characteristics for the months corresponding to those reported about in the Basic Needs Survey. The AFDC figures refer to the combined AFDC-unemployed and AFDC-regular caseloads. The table reveals some clear patterns. There were substantial reductions in food stamp costs and caseload under OBRA during Fall 1981. These were associated with a reduction in the percentage of food stamps cases with earnings and a reduction in those earners' average earnings. In Winter 1982 the food stamp program grew rapidly while AFDC costs and caseload declined. (During that time energy assistance payments were no longer tied exclusively to food stamp recipiency.) Although the percent of the food stamp caseload with earnings remained stable, those for AFDC dropped as did the average earnings of households on AFDC. The food stamp earners actually displayed some increase in earnings. This stability of earnings and earners in the food stamp caseload is not consistent with the increase in the unemployment rate shown at the bottom of the table and probably results from AFDC-OBRA induced changes in the composition of the food stamp caseload. In particular, this increase in the percentage of food stamp households with earnings could have resulted from former AFDC-only households with earners who left AFDC because of the new AFDC work disincentives and entered the food stamp program to replace part of the AFDC benefits they lost.

In terms of Wisconsin payments for both the AFDC and food stamp programs, row 3 of Table 3 shows an increase during Fall 1981, despite tighter food stamp program rules. This increase was apparently due to the recession. However, as the recession became worse in Winter 1982, total assistance payments actually fell ten percent.

Figures 4 and 5 present all of the relevant changes in Table 3 graphically as percentage increases or decreases for the Summer to Fall 1981 or Fall 1981 to Winter 1982 comparisons. The rightmost bars in each of these graphs provide what may be the most convenient summary of the difference in the impact of the two phases of OBRA on the food stamp program. Figure 4 shows that the percentage of AFDC cases with food stamps declined five percent when only the new food stamp policy was in effect. In the second phase the percentage of AFDC cases with food stamps rose by 25 percentage points. Referring to Figure 5, the average benefits of food stamp households declined only one percent in Fall 1981. Although normal increases in shelter cost deductions raise food stamp benefits somewhat every winter, it is still striking that average food stamp benefits rose 14 percent during Winter 1982. These aggregate data seem to imply that the OBRA food stamp policy would have been more effective in reducing program costs if the new AFDC changes had not occurred.

Summary data from the Basic Needs Survey are presented in Table 4 to provide an overview of the gross changes in recipiency/eligibility status and in the averages and distribution of benefits and earnings between the two OBRA phases for all

Wisconsin households, including those not appearing in the Computer Reporting Network because they did not receive program benefits. The patterns of change in reported household characteristics between waves of the Basic Needs Survey are quite consistent with those just discussed for the Wisconsin aggregate welfare caseload and unemployment statistics. As in the Caseload data, Table 4 also shows a Fall 1981 decline in the average food stamp benefit amount and then a marked increase during Winter 1982. The patterns for respondents' earnings and household earnings and gross income reversed those for food stamps. These variables all rose during the Fall and then declined in the Winter. The average of the Basic Needs Survey AFDC recipients' benefits also followed the pattern of the caseload data. AFDC benefits rose in the Fall and then again in the Winter. Note further that the average AFDC and food stamp benefit reports generally agree with those from the Wisconsin Computer Reporting Network. Hence, in addition to providing more information about the earnings and incomes of all Wisconsin households, Table 4 suggests that the Basic Needs Survey is a trustworthy source of data on Wisconsin's low income population.

IV. Analyzing OBRA Impacts With the Basic Needs Survey

Impact of OBRA Phase I on the Food Stamp Caseload

Of the main food stamp changes, the gross income limit was undoubtedly more important for the caseload than the tighter earnings deduction. For this reason, the analysis of OBRA Phase I

effects on the caseload was designed to study only the impact of the gross income limit.

Table 5 presents the distribution of all Wisconsin Basic Needs Survey households according to their recipiency and food stamp eligibility for Summer 1981, Fall 1981, and for a simulation of what their Fall 1981 situation would have been if there had been no changes in the economy nor any household behavioral responses to the new OBRA food stamp income eligibility limit. BNS households were classified for this and subsequent work in the following steps. First, among food stamp recipients, those who received only food stamps were separated from those who received food stamps and AFDC (rows 1 and 2 in Table 5). Second, the remaining AFDC recipients were also divided into two groups according to whether or not they were eligible for food stamps (rows 3 and 4). Third, households without AFDC or food stamps were then classified according to their food stamp eligibility (rows 5 and 6).

The OBRA simulation for Fall 1981 was performed by applying the new OBRA Food Stamp income eligibility screen to the Summer 1981 income data for households. It was assumed that, except for the OBRA income eligibility changes, households would have remained in their Summer 1981 recipiency-eligibility groups during the Fall of 1981. Thus, for example, Summer 1981 food stamp households who had incomes above the new gross income screen were assigned to the ineligible category as their simulated Fall 1981 recipiency/eligibility status, along with Summer 1981 AFDC Food

Stamp Eligibles, and other Food Stamp Eligibles who had incomes above the gross income screen.

Of course, the actual recipiency-eligibility distribution of households in the Fall of 1981 resulted from the impact of other OBRA food stamp changes, as well as other factors. In addition to the effect of the new OBRA income limit, the Fall 1981 distribution was also affected by:

- behavioral responses to the new gross income limit
- changes in household composition that affected the need for benefits as well as affecting eligibility status
- seasonal unemployment
- cyclical unemployment

To restate, the simulated Fall 1981 distribution in Table 5 represents that which would have resulted from the new gross income eligibility limit alone, while actual Fall 1981 household recipiency and eligibility were influenced by many factors.

The direct effect of the OBRA gross income screen was isolated by comparing the percentages of all Wisconsin households in each recipiency-eligibility group between Summer 1981 and Fall 1981 simulated and actual percentages. According to the simulation, 3.2 percent of all households would have lost their food stamp eligiblity because of the gross income screen (and this figure refers only to households who were not on the foodstamp caseload). Actually, only 2.1 percent of Wisconsin households who had not been receiving food stamps became ineligible. Apparently, factors other than the new gross income screen (e.g., rising unemployment)

substantially offset this effect of OBRA. Similarly, for Summer 1981 food stamp recipients, fewer households (0.4 percent of all Wisconsin households) actually became ineligible than were simulated ineligible (1.1 percent).

Another way to summarize these findings is to say that the recession and other effects reduced the decline in the caseload by 36 percent of the potential simulated OBRA reduction for households who received food stamps in Summer 1981. Those same offsetting influences restricted the effect of OBRA on food stamp eligibles without food stamps by 34 percent less than was simulated.

Impacts of OBRA Phase II on the Food Stamp Caseload

As discussed in Section II, one of the most important consequences of the new AFDC policy was to increase the incentive for AFDC households to enter or remain on the food stamp caseload. Separating this effect from that of other factors was the primary focus of the Phase II caseload analysis, which began by establishing how much of the caseload increase between Fall 1981 and Winter 1982 was due to AFDC households.

Table 6 compares the Fall 1981 and Winter 1982 recipiency/eligibility distributions. One and three-tenths percent more of all households received food stamps after the new AFDC policy, whereas 1.2 percent fewer received AFDC afterwards. And, as could result from the recession alone, the percent of food stamp ineligible households dropped by one and six tenths.

Further detail regarding the reasons for these Winter 1982 changes was obtained by comparing turnover in recipiency and

eligibility during OBRA Phase I to OBRA Phase II. (See Tables 7, 8, and 9.) Examining those turnover tables readily reveals increased flow into the food stamp caseload during Winter 1982 from AFDC households who were not receiving food stamps in Fall 1981 as well as from the Other Food Stamp Eligible group during Winter 1982. During Fall of 1981 none of the AFDC households eligible for food stamps during Summer 1981 became food stamp recipients. In Winter 1982, 23.3 percent of Fall 1981 AFDC "only" food stamp eligibles and 18.9 percent of Fall 1981 AFDC "only" food stamp ineligibles received food stamps. Two percent of Summer 1981 non-AFDC food stamp eligibles received food stamps during Fall 1981; 3.5 percent of these other food stamp eligibles became food stamp recipients during Winter 1982.

The pie charts in Figure 6 depict the percentages of the Fall 1981 and Winter 1982 food stamps caseloads attributable to their respective Spring 1981 and Fall 1981 sources by previous recipiency and eligibility.

Although the share of the food stamp caseload which received both AFDC and food stamps three months earlier remained at about half of the caseload, the share of households who had previously received only food stamps dropped from one third to less than one fifth during Winter 1982. AFDC households without food stamps in the Summer of 1981 were only about two percent of the Fall 1981 caseload, but this same type (from Fall 1981) comprised eleven percent of the Winter 1982 caseload. It is also striking that the share of the caseload from food stamp ineligibles other than those on AFDC rose from seven to eleven percent. Although the bulk of

this was due to the recession, some part of it may stem from households who had become AFDC eligible, avoided AFDC because of its newly restrictive policy, but who did get food stamps.

By weighting the differences between the Fall and Winter rates of flow into and out of the food stamp caseload by the relative size of the groups from which these flows originated, it is possible to estimate the percentage share of the 13,000 household Winter 1982 caseload increase that was due to the various Fall 1981 groups. This analysis of the components of change in the food stamp caseload during phase II of OBRA revealed the following:

. 17 percent of the Winter 1982 caseload increase was due to increased numbers of households without AFDC remaining on food stamps.

. 26 percent was due to increased numbers remaining on both food stamps and AFDC.

. five percent was due to AFDC-food stamp eligibles entering the food stamp caseload.

. 15 percent stemmed from AFDC-food stamp ineligibles.

. 16 percent of the increase was caused by food stamp eligibles who had not received AFDC during Fall 1981.

. 21 percent was caused by food stamp ineligible households who had not received AFDC.

Overall then, 46 percent, or nearly half of the caseload increase, was associated with either increased persistence by, or entrance from, AFDC households. Thirty-seven percent of the rise in the caseload came from non-AFDC households who were either eligible

or ineligibile for the stamps in the Fall. The remaining 17 percent is attributable to households who had received only food stamps before.

V. Summary

The main results of the evaluation of ways in which changes in the food stamp and AFDC programs under OBRA affected food stamp costs and caseloads can be discussed with respect to two separate phases of OBRA. In the first phase, the food stamp program imposed a gross income limit for eligibility at 130 percent of the official poverty line, which reduced the food stamp caseload and the number of food stamp eligible households. Along with some reduced benefit entitlements and a somewhat less generous work expenses deduction, this new income limit became effective in October 1981. Beginning in January 1982 the second phase of OBRA implemented two important changes in the AFDC program which affected low income households eligible for food stamps. A gross income limit was also implemented for AFDC eligibility, and the extent to which AFDC recipients could combine work and welfare was restricted drastically after their fourth month on the program. In Wisconsin, this meant that many AFDC recipients who had been on the program during September 1981 had their benefits reduced in Janaury 1982. Thus, in the second phase of OBRA, AFDC households who were not receiving food stamps had a much greater incentive to enter the food stamp program than in the first phase under the new food stamp regulations alone. Furthermore, the food stamp benefits received by AFDC households

would have changed as they responded to the new AFDC work disincentives because both earnings and AFDC are counted against food stamp benefits. A more detailed analysis of employed AFDC recipients' labor supply decisions before and after OBRA revealed that their earnings and food stamp benefits could have increased if they were able and willing to leave AFDC entirely. On the other hand, the much greater disincentive to work while on AFDC could also have led recipients to stop working and to limit their post-OBRA losses with increased food stamp participation.

Because there were two distinct OBRA phases, data for each phase were used to evaluate how the food stamp changes affected the food stamp program first alone, and then in combination with the AFDC changes. Monthly caseload statistics from the Wisconsin Department of Health and Social Services provided a perspective before and after each of the two OBRA phases. After the food stamp changes became effective in Fall 1981 the percentage of AFDC cases with food stamps dropped three points and the average food stamp benefit was reduced by less than two percent. After the AFDC changes (in Winter 1982) the percentage of AFDC cases with food stamps rose by 25 points, and average food stamp benefits increased by 14 percent. Although these differences between the two phases of OBRA are in part the result of the contemporaneous recession, they also suggest that the food stamp cost savings expected from OBRA Phase I were offset to some extent by the later AFDC changes. Perhaps most telling in this regard is the fact that the percentage of food stamp

households with earners actually rose during Winter 1982, despite a rising state unemployment rate.

Further study of OBRA impacts took advantage of the availability of data from Basic Needs Survey monthly interviews that were conducted for a representative sample of Wisconsin households during the Summer, Fall, and Winter of 1981-82. The immediate impacts of the food stamp changes alone were evaluated first by comparing the AFDC and food stamp recipiency and food stamp eligibility of BNS sample households between Summer and Fall 1981. For this purpose the food stamp eligibility of Fall 1981 households was simulated under the new OBRA income limit to determine the effect of OBRA in the absence of any other changes affecting eligibility between Summer and Fall. The rising unemployment rate and other factors generated actual Fall 1981 recipiency and eligibility characteristics. According to the simulation, 3.2 percent of all households lost food stamp eligibility because of OBRA, however, only 2.1 percent of Fall 1981 Wisconsin households were actually ineligible. In other words, the recession and other changes reduced the decline in the food stamp caseload by about one third of what would have occurred under OBRA Phase I alone.

Another type of BNS comparison, of turnover in recipiency-eligibilty status, was conducted to determine the extent to which the second phase of OBRA was associated with differences in the sources of the food stamp caseload before and after the AFDC changes increased the food stamp participation incentive. This comparison substantiated the importance of the new incentive to get

food stamps. For example, during the Fall of 1981, none of the AFDC households eligible for but not receiving food stamps in the Summer became food stamp recipients. In Winter 1982 about one quarter of the Fall 1981 "AFDC only" food stamp ineligibles received food stamps. About one eighth of the Fall "AFDC only" food stamp eligibles also received food stamps in Winter. Finally, by weighting the difference in the Fall and Winter rates of flow into the food stamp caseload by the relative sizes of the original groups it was estimated that about 46 percent of the 13,000 household Winter 1982 food stamp caseload increase was attributable to either increased persistence by, or entrance from, AFDC households.

Taken together these findings establish for Wisconsin that the cost savings effects of the OBRA food stamp restrictions were substantially limited by responses to the AFDC work disincentives as well as by the recession. For generalizing this insight it is important to recognize that Wisconsin had a relatively low participation rate in the food stamp program among AFDC recipients before OBRA.

Figure 1: Pre- and Post-OBRA Income Opportunities for AFDC Eligibles

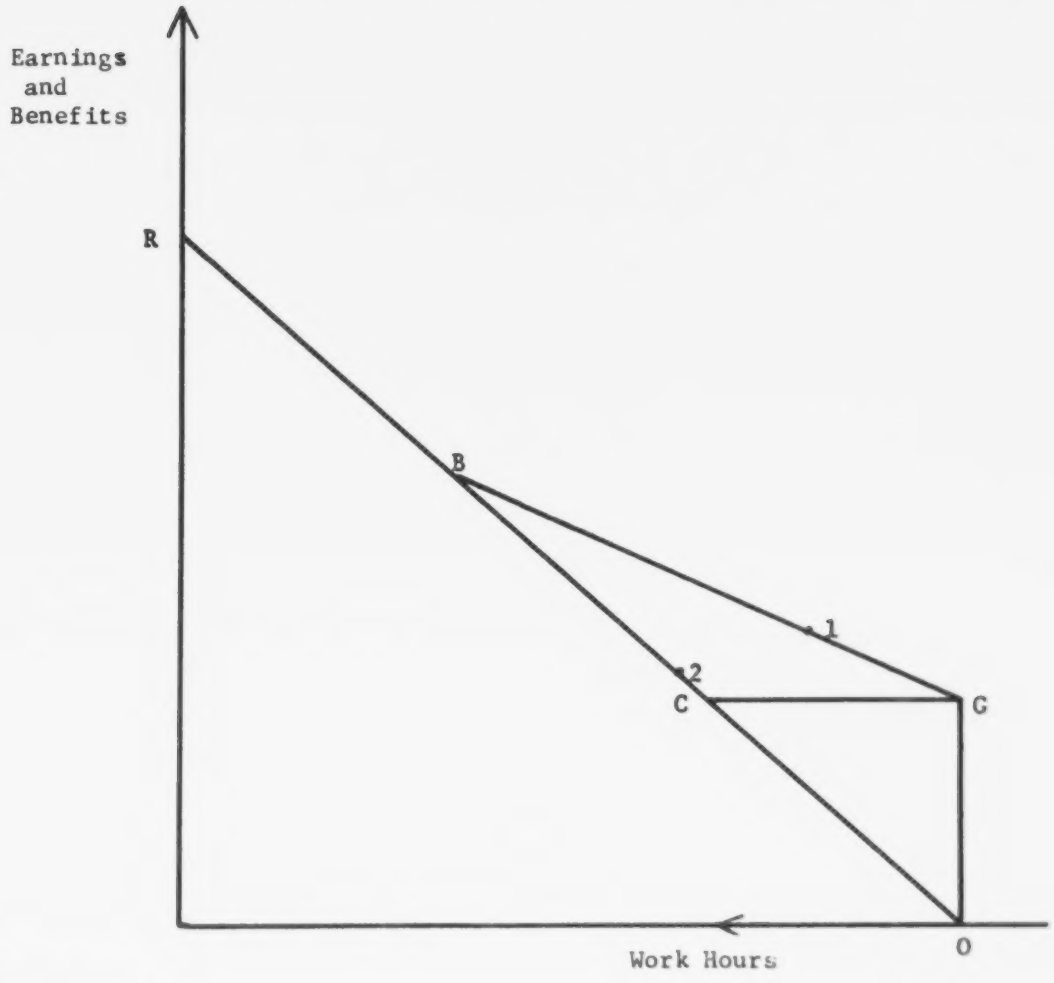
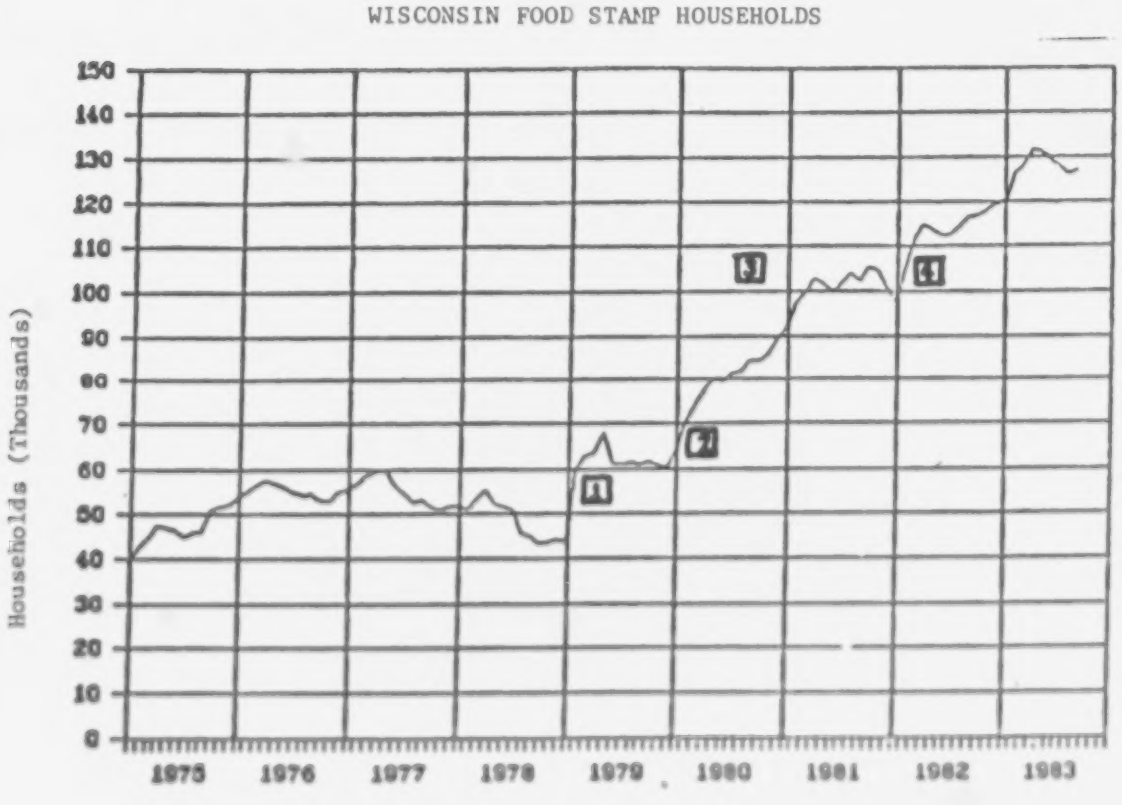


Figure 2: Food Stamp and AFDC Program Caseload Trends and Fluctuations for Wisconsin Since 1975



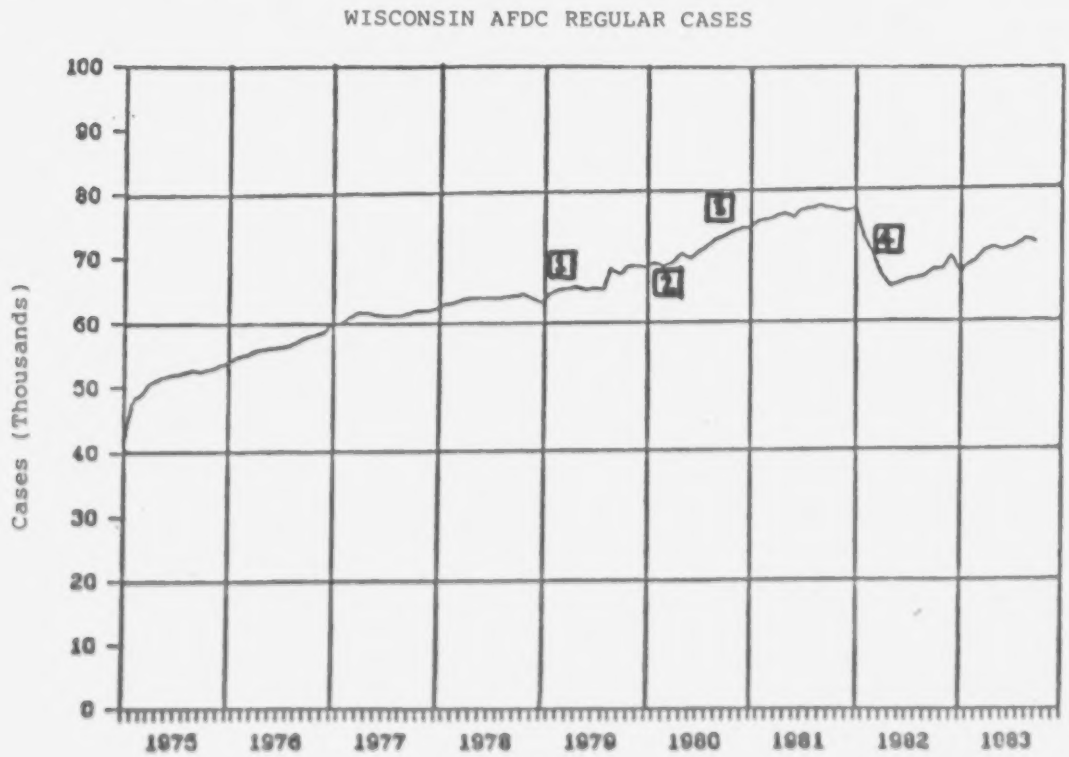
1 Purchase requirement for food stamps eliminated.

2 Eligibility for Low Income Energy dependent upon Food Stamp eligibility.

3 All counties added to the integrated computerized eligibility determination system.

4 OBRA closings.

Figure 3: Food Stamp and AFDC Program Caseload Trends and Fluctuations for Wisconsin Since 1975



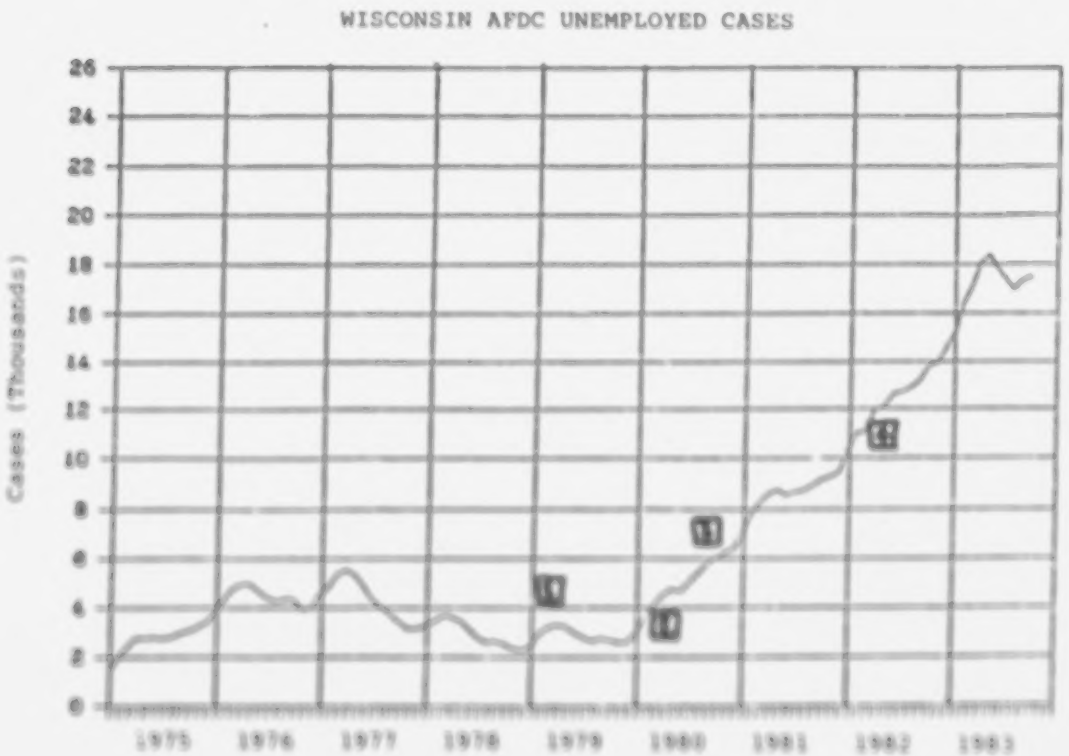


Figure 4: Percent Increase or Decrease in AFDC and FS Payments and Caseload, Summer to Fall 1981 and Fall 1981 to Winter 1982

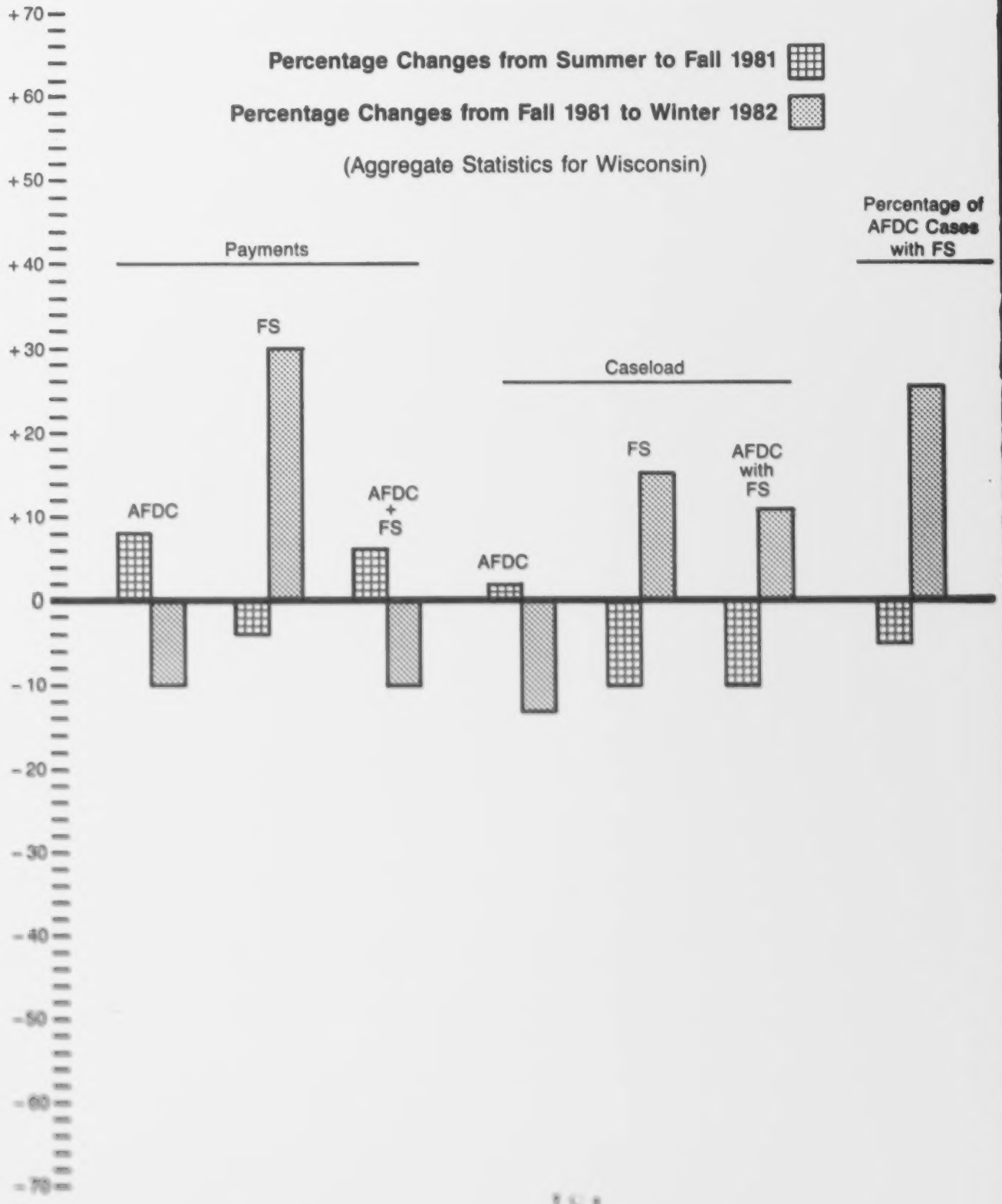


Figure 5: Percent Increase or Decrease in Unemployment Rates, Earnings, and Benefits, Summer to Fall 1981 and Fall 1981 to Winter 1982

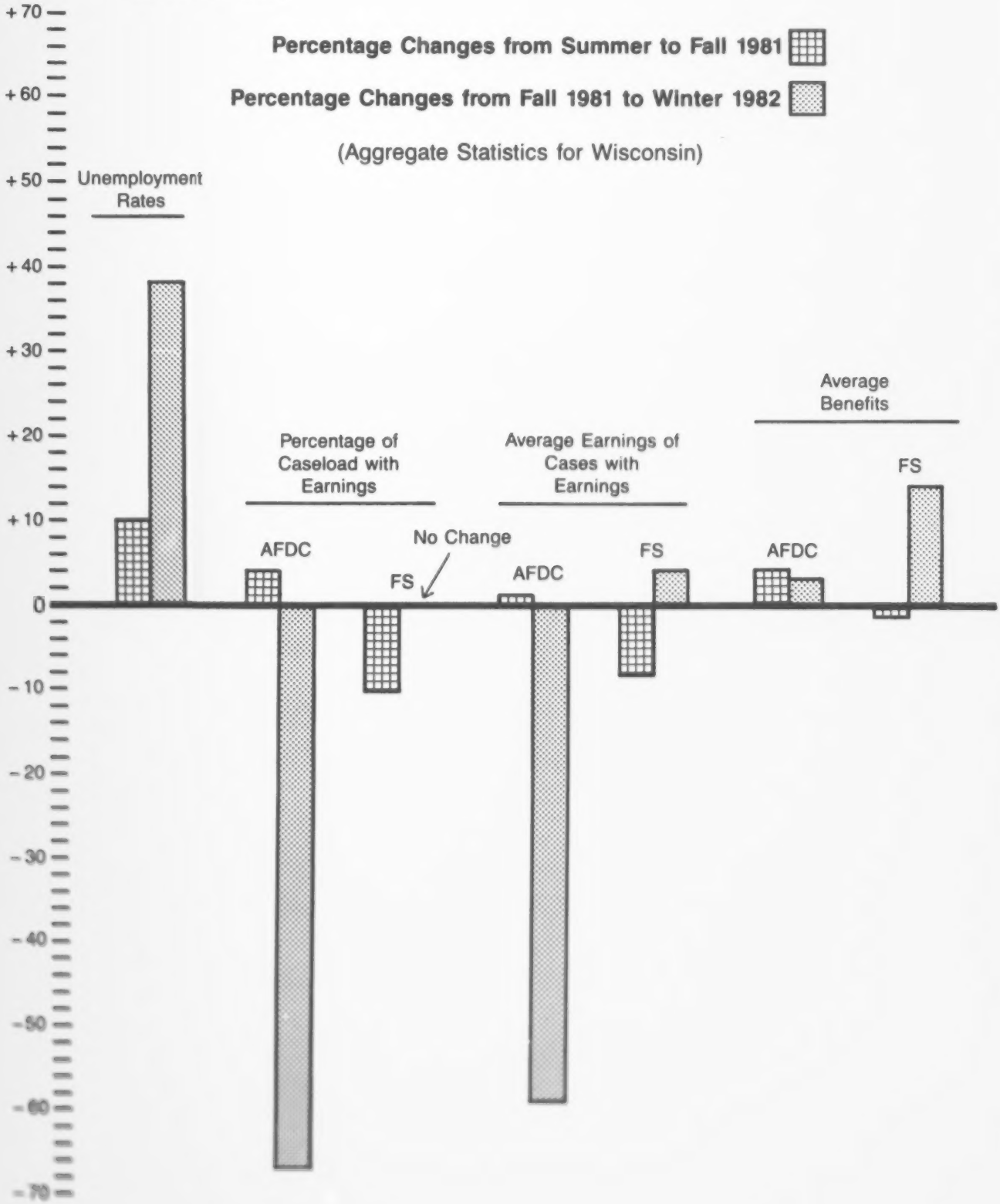
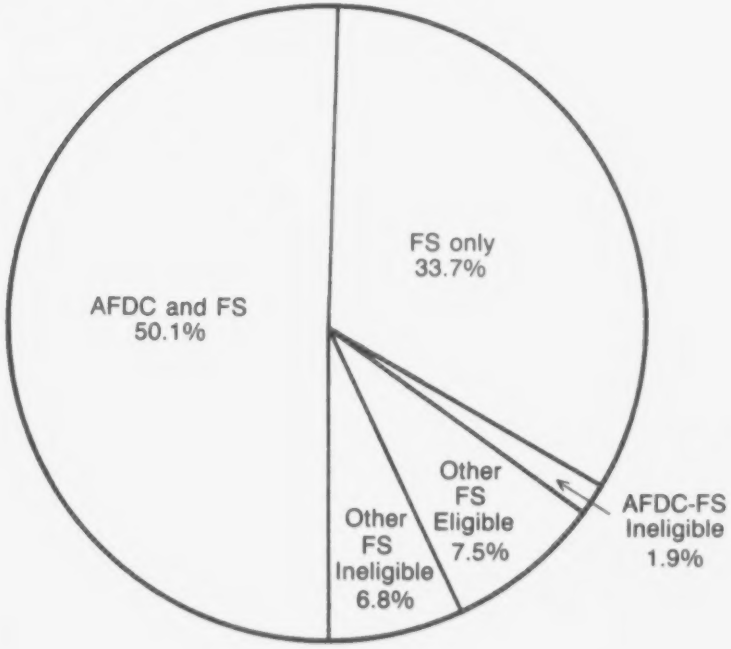


Figure 6: Source of Flow into Wisconsin Food Stamp Caseload, Summer to Fall 1981 and Fall 1981 to Winter 1982



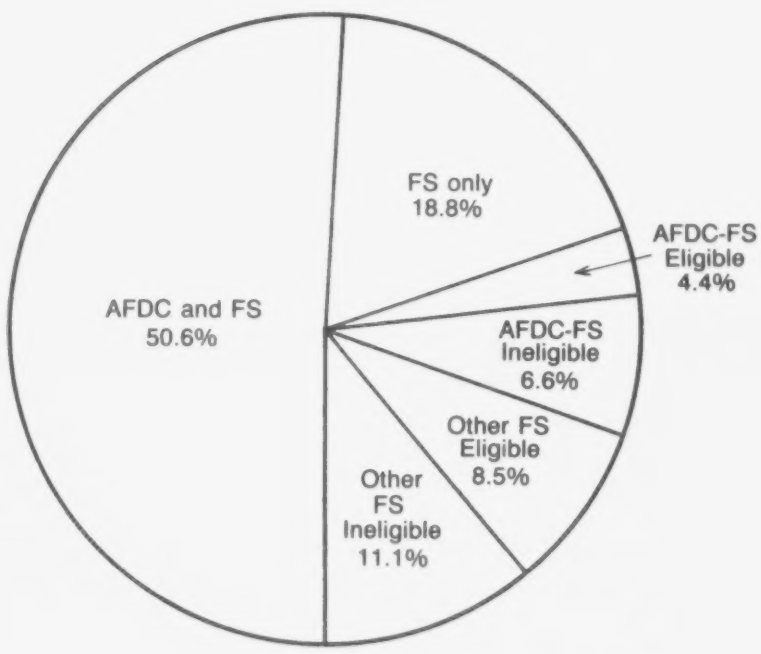


Table 1: Basic Needs Survey Interview Panels and Monthly Reference Periods

	Summer	Fall	Winter
Interview Panel	Monthly Interview	Monthly Interview	Monthly Interview
I	May, 1981	September, 1981	January, 1982
II	June, 1981	October, 1981	February, 1982
III	July, 1981	November, 1981	March, 1982
IV	August, 1981	December, 1981	April, 1982

Note: In Wisconsin, the new OBRA Food Stamp regulations were implemented beginning in October, 1981 and the new AFDC regulations were implemented beginning in January, 1982.

Table 2: Wisconsin Basic Needs Interviews Cumulative Response Rates and Reference Periods

Sample and Number Selected		First, Personal (1980)	Summer 1981, Monthly	Fall 1981, Monthly	Winter 1982, Monthly
Cross Section	1220	72%	63%	60%	56%
AFDC	330	43%	36%	33%	31%
Female Head	226	73%	65%	63%	58%
Aged Head	485	63%	52%	48%	43%
Low Income	457	72%	63%	59%	56%
Total	2718	67%	58%	54%	49%

Table 3: Summer 1981, Fall 1981, and Winter 1982 Wisconsin Unemployment Rate and Food Stamp and AFDC Statistics

	3-month Averages, Summer 1981[1]	3-month Averages, Fall 1981[2]	3-month Averages, Winter 1982[3]
Payments ($M)			
AFDC	30.7	33.1	30.2
FS	7.3	7.0	9.1
AFDC + FS	38.0	40.1	39.3
Caseload (in 000's)			
AFDC	81.6	83.5	73.6
FS	92.8	89.6	102.6
FS with AFDC	55.2	53.9	59.6
% of AFDC Cases with FS	67.6%	64.6%	80.9%
% of Caseload with Earnings			
AFDC	24%	25%	15%
FS	21	19	19
Average Earnings (cases with earnings)			
AFDC	513	516	310
FS	398	367	383
Average Benefits			
$ AFDC/month	376	392	402
$ FS/month	79	78	89
Wisconsin Unemployment Rate[5]	7.2	7.9	10.9

(notes continue)

Table 3 (continued): Summer 1981, Fall 1981, and Winter 1982 Wisconsin Unemployment Rate and Food Stamp and AFDC Statistics

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Sources: Food Stamp and AFDC Statistics from Wisconsin Department of Health and Social Services Computer Reporting Network, end of month statistics; unemployment rates from Wisconsin Department of Industry, Labor, and Human Relations.

[1]Summer 1981--averages of monthly data for June, July, and August 1981

[2]Fall 1981--averages of monthly data for October, November, and December 1982.

[3]Winter 1982--averages of monthly data for February, March, and April 1982.

[4]FS with AFDC--cases receiving both food stamps and AFDC.

[5]Seasonally unadjusted unemployment rates.

Table 4: Summer 1981, Fall 1981, and Winter 1982 Wisconsin Basic Needs Survey Household Characteristics (Three Month Averages)

	Summer 1981 (n = 1187)	Fall 1981 (n = 1123)	Winter 1982 (n = 1041)
Food Stamp Benefits			
None	95.4%	95.5%	94.3%
$1-49	0.9	1.3	0.9
50-79	1.5	1.2	1.6
80-109	0.8	1.1	1.3
110-139	0.6	0.7	0.8
140 or more	0.7	0.3	1.2
Average for FS Recipients	$88	$78	$102
AFDC Benefits			
None	95.3%	95.1%	95.6%
$1-199	0.5	0.5	0.5
200-299	0.7	0.6	0.4
300-399	1.3	0.8	0.4
400-499	1.1	1.9	1.5
500 or more	1.2	1.2	1.3
Average for AFDC Recipients	$386	$400	$409
Respondents' Earnings			
None	35.9%	36.6%	40.1%
$1-499	10.6	11.4	9.6
500-799	14.8	13.5	12.9
800-1099	16.1	14.5	14.8
1100-1799	17.9	18.1	18.2
1800 or more	4.6	5.9	4.4
Average for Earners	$976	$1004	$987

continued

Table 4 (continued): Summer 1981, Fall 1981, and Winter 1982 Wisconsin Basic Needs Survey Household Characteristics (Three Month Averages)

	Summer 1981	Fall 1981	Winter 1982
Household Earnings			
None	29.2	30.1	32.5
$1-499	8.4	9.8	8.4
500-799	12.4	9.0	9.2
800-1099	14.2	11.5	12.8
1100-1799	21.5	22.4	22.1
1800 or more	14.3	17.3	15.1
Average for Households with Earnings	$1244	$1317	$1266
Household Gross Income			
None	1.8	1.9	2.5
$1-499	10.6	10.5	11.0
500-999	26.8	26.1	24.3
1000-1499	26.8	23.4	23.5
1500-1999	15.3	16.6	19.9
2000 or more	18.6	21.6	18.7
Average for All Households	$1427	$1539	$1433

Table 5: Summer 1981, and Simulated and Actual Fall 1981 Wisconsin Household Recipiency/Eligibility Distributions

	Summer 1981 (n = 1187)	OBRA Simulation Fall 1981 (n = 1187)	Actual Fall 1981 (n = 1123)
Food Stamps Only	1.5%	1.0%	1.2%
Food Stamps and AFDC	3.2	2.6	3.1
AFDC Food Stamp Eligible	0.3	0.1	0.3
AFDC Food Stamp Ineligible	1.0	1.2	1.2
Other Food Stamp Eligible	9.4	6.4	7.3
Other Food Stamp Ineligible	84.6	88.7	86.9
	100.0%	100.0%	100.0%

Table 6: Fall 1981 and Winter 1982 Wisconsin Household Recipiency/Eligibility Distributions

	Fall 1981 (n = 1123)	Winter 1982 (n = 1067)
Food Stamps Only	1.2%	2.0%
Food Stamps and AFDC	3.1	3.6
AFDC, Food Stamp Eligible	0.3	0.1
AFDC, Food Stamp Ineligible	1.2	0.2
Other Food Stamp Eligible	7.3	8.8
Other Food Stamp Ineligible	86.9	85.3
	100.0%	100.0%

Table 7: Summer 1981 to Fall 1981 Recipiency/Eligibility Turnover (unweighted Summer 1981 subsample counts; weighted sample percentages)

	Summer 1981					
Fall 1981	Food Stamps Only (n=24)	Food Stamps and AFDC (n=106)	AFDC, Food Stamp Eligible (n=10)	AFDC, Food Stamp Ineligible (n=32)	Other Food Stamp Eligible (n=117)	Other Food Stamp Ineligible (n=790)
Food Stamps Only	53.4%	1.2%	0.0%	0.0%	1.0%	0.3%
Food Stamps and AFDC	27.4	80.5	0.0	9.8	1.0	0.0
AFDC, Food Stamp Eligible	0.0	4.2	21.1	7.7	0.3	0.1
AFDC, Food Stamp Ineligible	0.0	3.6	48.8	72.0	1.6	0.0
Other Food Stamp Eligible	5.4	7.9	30.1	3.1	39.1	3.7
Other Food Stamp Ineligible	13.8	2.6	0.0	7.4	57.0	95.9
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 8: Fall 1981 to Winter 1982 Recipiency/Eligibility Turnover (unweighted Fall 1981 subsample counts; weighted sample percentages)

	Fall 1981					
Winter 1982	Food Stamps Only (n=20)	Food Stamps and AFDC (n=92)	AFDC, Food Stamp Eligible (n=12)	AFDC, Food Stamp Ineligible (n=29)	Other Food Stamp Eligible (n=94)	Other Food Stamp Ineligible (n=769)
Food Stamps Only	76.9%	5.7%	23.3%	18.9%	5.5%	0.3%
Food Stamps and AFDC	3.7	89.9	53.6	12.0	0.0	0.4
AFDC, Food Stamp Eligible	0.0	0.6	0.0	7.2	0.0	0.1
AFDC, Food Stamp Ineligible	0.0	0.7	12.7	13.5	0.0	0.1
Other Food Stamp Eligible	10.6	1.7	0.0	14.8	58.4	3.1
Other Food Stamp Ineligible	8.8	1.4	10.4	33.6	36.1	96.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 9: Percentage Point Changes in Transition Probabilities: Fall 1981 to Winter 1982 (OBRA Phase II), minus Summer 1981 to Fall 1981 (OBRA Phase I)

	Earlier					
Later	Food Stamps Only	Food Stamps and AFDC	AFDC, Food Stamp Eligible	AFDC, Food Stamp Ineligible	Other Food Stamp Eligible	Other Food Stamp Ineligible
Food Stamps Only	+23.5	+4.5	+23.3	+18.9	+4.5	0.0
Food Stamps and AFDC	-23.7	+9.4	+53.6	+2.2	-1.0	+0.4
AFDC, Food Stamp Eligible	0.0	-3.6	-21.1	-0.5	-0.3	0.0
AFDC, Food Stamp Ineligible	0.0	-2.9	-36.1	-58.5	-1.6	+0.1
Other Food Stamp Eligible	+5.2	-6.2	-30.1	+11.7	+19.3	-0.6
Other Food Stamp Ineligible	-5.0	-1.2	+10.4	+26.2	-20.9	+0.1

WISCONSIN'S WELFARE POPULATION: A LONGITUDINAL STUDY

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Introduction

We would like to begin by placing this paper in the context of the proceedings as a whole. Unlike other papers presented here, our analysis deals exclusively with welfare recipients, rather than individuals in poverty. Of course, many of the individuals receiving welfare are below or near the poverty level, however, not all individuals in poverty are receiving welfare. One might therefore view the welfare population as a subset of the overall poverty population. Keeping this in mind, the paper is divided into two sections: (1) a discussion of the data base that was used to draw our sample of welfare recipients; and, (2) the results and findings from our analysis. The findings presented in this paper are preliminary and meant to illustrate the potential of forthcoming research utilizing this data base. Until very recently there has been a lack of longitudinal analyses regarding the welfare population. A number of important policy oriented questions can only be addressed with longitudinal data, a point which will be touched upon throughout this paper.

The Data Base and Sample Selection

As documented by Laura Guy (1982), in the early 1970's it was generally recognized that the State's administration of the Aid to Families with Dependent Children (AFDC), Food Stamp, and Medicaid programs was problematic. Among the problems identified were errors in eligibility and unequal treatment and benefits for clients. In 1971 the Department of Health and Social Services initiated a project designed to produce a computer-based information system in order to effectively handle these problems. By October 1974, it was decided that an in-house effort at creating such a system would be attempted. This system became known as the Computer Reporting Network, or CRN. In 1976 a pilot implementation of the CRN system began in Kenosha and Wood counties. The pilot project was considered a success, and by late 1978 a decision was made to implement the CRN system statewide with data processing occurring in the counties and a data base system located in Madison. As of October 1980, more than 99 percent of all AFDC, Food Stamps, and Medicaid recipients in the State's 72 counties had been entered onto the CRN system.

Applicants for AFDC, Food Stamps, and/or Medicaid are required to fill out a combined application form. Their responses to these questions are collected and reviewed by the county case worker. A number of questions are asked on the application form, particularly economic and demographic questions (e.g., what is your income, assets, age, number of children). This information is then coded into machine readable form and keyed directly into a terminal from

the county office into the CRN system. Within minutes a case determination sheet is printed back to the county office indicating that individual's eligibility and benefits. Aside from inputting new applications, workers at the county level may also make changes to case records already active in the data base. For example, completed reviews of each case are required at set intervals, and items that have changed will be reentered into the CRN system.

The unit of analysis in the data base is the CRN case, which consists of the applicant, or case head, and those individuals listed on the application who are residing in the household of the case head. In certain circumstances it may also include family members not living at home. The CRN case may consist of a case head only, a case head and spouse, a three generation family, or various other household combinations. The CRN system therefore provides an excellent opportunity to examine the dynamics of Wisconsin's welfare population over time.

A two percent random sample was drawn of all cases that were eligible as of September 30, 1980 for one or more of the three welfare programs. The total number of eligible cases on the CRN system in September 1980 was approximately 140,000, resulting in a sample size of 2,796 households. These households were then followed for 37 months, through September 1983. All of the analytical files have been stripped of personal identification information (e.g., name, Social Security number, address, telephone).

For the analysis presented in this paper, four months of information, covering a year and a half, were linked together:

September 1980, March 1981, September 1981, and March 1982. If an individual loses his or her welfare eligibility, only then to regain it, that movement is picked up in the sample. The ability to link these months together permits a longitudinal examination of Wisconsin's welfare population, as opposed to cross-sectional, which has been the principle type of analysis carried out on the welfare population. The difference between the two approaches has an analogy in photography. Cross-sectional studies provide snapshots of the welfare population. Such views permit a study of the persons on the system at the particular moments the snapshots were taken. Longitudinal studies, on the other hand, are like moving pictures, or films, that enable one to follow an entire group (or particular individuals from that group) over time. Our goal was to follow the September 1980 sample in order to begin answering questions of the following sort: What percentage of households exit from welfare after several years? Can we predict who is more likely to leave the welfare system and who is more likely to remain? Why do households leave welfare? With these and other questions in mind, the analysis of the data set is presented.

Analysis and Tables

Before discussing the analysis, it should be noted that the welfare population is by no means a homogeneous population, but rather contains numerous demographic groups. Within the sample there are various household and family structures, and various programs and program combinations in which a household could

participate. For this reason, we have decided to divide the sample into four major household classifications: (1) female heads of household with children (no spouse present), (2) married couples, (3) single heads of household (no children or spouse present), and (4) elderly household heads (over age 65). One household category has been eliminated by this classification - male heads of household with children (no spouse present). Out of the total sample of 2,796 cases, only 22 cases fit this description. This category has therefore been dropped from the remaining analysis.

In Table 1, the distribution of program type by household type is found. By dividing the sample according to household structure, it is apparent that this population has also been divided by program type. Consequently, 94.5 percent of female heads are receiving AFDC, 91.4 percent of single heads are receiving only Food Stamps and/or Medicaid, while 88 percent of the elderly are participating solely in the Medicaid program. Only married couples are fairly evenly distributed across program type.

For each of these household groups, we asked several basic questions. First, how long had our sample households been on welfare prior to September 1980, and at what age did they enter the welfare system? Second, what were the demographic and socioeconomic characteristics of the sample in September 1980? Third, what percentage of the sample exited from welfare during the year-and-a-half period under observation? Fourth, how do those who have exited differ from those who have remained? Finally, what were the reasons for leaving welfare? These questions might be put another way.

Where had these households been prior to September 1980? Where were they in September 1980? Where did they go after September 1980? The question of where they had been is addressed in Table 2.

Prior Welfare History

The top panel of Table 2 illustrates prior length of the current welfare spell by household type. Female heads and the elderly tend to be on for longer spells. In both cases, however, close to 50 percent have been participating in the AFDC, Food Stamps, and/or Medicaid programs for less than one year. Married couples and single heads have the shortest prior length of welfare use. Married couples average only 1.5 years, with a median of .5 years, while single heads average .9 years, with a median of .3 years.

It is clear that most households have not been receiving welfare for an extended period of time prior to September 1980. Over 50 percent of the total sample have been on welfare for less than one year, while only 19.4 percent have been receiving AFDC, Food Stamps, and/or Medicaid for more than three years.

Age at entry into the current welfare spell is shown in the bottom panel of Table 2. The majority of female heads entered their current welfare spell in their late teens or 20s. Married heads were slightly older when entering welfare, averaging 31.3 years. Close to 50 percent of single heads entered during their late teens or early 20s, however, the average age of entry is higher (31.3) due to the wide distribution of older ages. The mean age at entry for elderly case heads is approximately 80 years old.

Base Month Characteristics of the Welfare Population

Turning to Tables 3, 4, and 5 we ask the question, what were the demographic and socioeconomic characteristics of the sample in September 1980? Several demographic characteristics are presented in Table 3. Looking first at region, approximately one third of the total sample resided in Milwaukee county, another third in other metropolitan counties, and a final third in nonmetropolitan counties. Female heads, however, were more likely to reside in Milwaukee county, while married couples tended to live in other metropolitan or nonmetropolitan counties. Single and elderly heads were fairly evenly distributed across geographic regions.

Females comprise 85.1 percent of married case heads. County welfare offices prefer that a wife be listed as the case head. If a couple separates or divorces, children are more likely to remain with the woman, and therefore a new application is not necessary. Single heads are approximately equally divided between the sexes, but 70 percent of elderly heads are female.

In all household categories the majority of case heads are white, however, the racial composition differs according to household type. While approximately 60 percent of female and 70 percent of single heads are white, over 80 percent of married and elderly heads are white.

There are clear differences in incapacitation status across household categories. The State defines incapacitation as the inability to perform typical work, whether the condition be temporary or permanent, physical or mental. Only 2.9 percent of

female heads are considered incapacitated. The percentage for married heads is slightly larger, with 6.1 percent being incapacitated. On the other hand, approximately one out of three single heads, and three out of five elderly heads are incapacitated. The difference in incapacitation status across households reflects the differences in program participation. Most elderly case heads are participating in the Medicaid program because of incapacitation.

Finally, most female heads have either one or two children, while married heads have a slightly higher number of offspring. The idea of large, extended families being on welfare is simply not supported by this finding. Nationally, the average number of children for families with offspring in 1980 was 1.89, while the average for female-headed families with offspring was 1.87 (U.S. Bureau of the Census, 1981), both of which are similar to the mean number of children estimated here (2.0) for female-headed families on welfare.

In Table 4 we can see that female heads tend to be in their 20s and early 30s. Married heads are slightly older. About 50 percent of single heads are between the ages of 15 and 24. The remaining singles are fairly evenly distributed up to age 65. Finally, the average age of elderly heads of household in September 1980 was 81.8, with a sizeable percentage (37.8) being age 85 or over.

Table 5 contains levels of education, employment, and income for household heads. With the exception of the elderly, household heads (as well as married spouses) tend to have either nine to eleven years of schooling, or to have graduated from high school. Average

number of years of education is approximately eleven. The elderly have much lower levels of education, which is partially a result of cohort differences in educational attainment.

In all household categories, the majority of household heads are not working. The percentage varies from 72.5 percent for female heads, to 99.5 percent for elderly heads. Average hours worked per week, and average hours worked per week for those employed are also shown. Female heads tend to be working the most hours, followed by married heads, singles, and the elderly. As Sanger notes, however, cross-sectional data tend "to underestimate grossly the importance of work to large segments of the welfare population; while at one point in time the percentage of recipients who are working might be quite low, data based upon tracking recipients over an extended period have revealed a consistently more active relationship with the labor market than could be inferred from data collected at any one point in time" (1979:18). The work of Rein and Rainwater (1978) and AuClaire (1979) supports this observation. Although our sample in September 1980 indicates that a minority of welfare case heads are employed, if followed over the course of a year, a much larger percentage would undoubtably have worked some amount of time.

The bottom panel of Table 5 illustrates monthly income generated by household heads. The patterns for income are similar to those for employment. Most households are not earning any income. Again, the effect of cross-sectional data on employment status is applicable to income. Female and married heads have the highest levels of monthly income, while single and elderly heads have the

lowest. Average hourly wage rate also differs among household categories. The wage rate for female heads ($3.83) is nearly a dollar greater than that for single heads ($2.82).

Exiting From Welfare

Having looked at some of the characteristics of Wisconsin's welfare population in the initial month of observation, we wanted to ask what percentage of the sample had exited from welfare during the year-and-a-half period under observation? Table 6 illustrates the cumulative completed spell distribution and exit probabilities for various household types. It is important to remember that the sample drawn in the initial month of September 1980 was a cross-section of welfare users, rather than new cases. As found in Table 2, these households had been on welfare for varying lengths of time prior to September 1980.

Looking first at female heads, 12.4 percent had completed their original welfare spell six months after being sampled. After twelve months, 22.3 percent had exited, and at the end of 18 months, 35.4 percent, or one out of three female heads, had completed her original spell. Among female heads, 5.9 percent have returned to welfare having exited at some point, leaving 29.5 percent who have exited and not returned during the year-and-a-half period.

Married heads and single heads show much higher proportions of cumulative exits. After 18 months, 61.6 percent of married heads and 67.7 percent of single heads have completed their original welfare spell. A higher percentage of married and single heads also return to welfare.

The elderly resemble female-headed households in terms of their cumulative completed spell distribution, however, they are much less likely to return to welfare than female, married, or single heads. Only 2.1 percent of elderly heads will eventually return to welfare. The reason will be discussed later.

The bottom panel of Table 6 shows the exit probabilities by type of household. These probabilities refer to the likelihood of exiting at time three, for example, given that a case was on at time two. The time period of September 1981 to March 1982 witnessed an increase in the likelihood of female and married heads exiting from welfare. This increase may be attributable to the Reagan budget cuts which went into effect during this period. The cuts primarily affected the AFDC program, hence the increase in exits for female and married heads. For single heads there is a general downward trend in the likelihood of exiting from welfare over time, while the probability of exiting for elderly heads remained consistent over the 18 month period.

Next, we ask what differentiates those who are no longer receiving welfare from those still on as of March 1982. In Table 7 it is clear that those still receiving welfare had been on a longer amount of time prior to September 1980 than those who have exited. This pattern holds for all household types.

Table 8 provides a comparison of demographic characteristics. A greater percentage of female heads no longer on welfare lived outside of Milwaukee county, were white, and had only one child. Married heads who exited also tended to have fewer children and to

be white. For single heads, more of those exiting were males and were not incapacitated.

In Table 9, the age of case heads is shown. Only for single heads is there a clear difference between those off and those on the system. Single heads who have exited tend to be younger than those who have remained.

Finally, the socioeconomic characteristics of households is shown in Table 10. In general, those who have exited tend to have greater education, higher levels of employment, and a higher wage rate than those remaining on welfare.

Having examined the patterns of welfare exits, the question is raised: Why do families leave public assistance? For each program, the CRN system generates reasons for terminating a case's eligiblity. These reasons can differ depending upon the program. For example, a family may have refused additional support from Food Stamps, while their AFDC eligibility was terminated because of high income or assets. It is therefore necessary to separate, by program, reasons for exiting welfare. The reasons are generated from changes that occur within case households. The CRN system monitors these changes, entering a reason for ineligibility where appropriate. These reasons have been collapsed and are presented in Table 11.

As found in Table 1, most of the sampled female-headed families are participating in the AFDC program. Nearly one quarter of such households exited from AFDC because their income and/or assets were above the eligibility limits. Another 17.7 percent exited because

they failed to provide sufficient information to determine continued eligibility. It is impossible to establish why these households did not provide adequate information. They may be attempting to conceal a change in household structure, they may no longer be interested in receiving welfare, or various other circumstances may be occurring. Eight percent of female-headed families have exited from AFDC because of a change in household structure (in this case, because there is no longer a child under age 18 in the family). Finally, 50 percent leave for other reasons (e.g., refused additional support, case has moved, change in federal/state laws, and work requirements not met). The patterns of exiting from Food Stamps and Medicaid for female heads are similar. The major reasons for exiting are changes in income/asset level, and a failure to supply information.

Married heads are participating in various combinations of AFDC, Food Stamps, and Medicaid. In all three programs, the main reasons for leaving welfare are a change in income or assets, and a failure to provide sufficient information for continued eligibility.

Almost all single heads are participating in either the Food Stamp or Medicaid programs. The majority of those leaving Food Stamps have failed to supply the proper information. For Medicaid participants, the lack of information is also an important reason for exiting.

Turning to the elderly, most are Medicaid recipients (88 percent are receiving only Medicaid, as found in Table 1). The primary reason for leaving this program is due to a household change, which in this case is death. Thus, 75 percent of elderly heads were no

longer receiving Medicaid because they died. This explains why so few elderly heads return to welfare.

Conclusion

Welfare recipients are not a homogeneous population. Four distinct subgroups were analyzed: female heads of household, married couples, singles, and the elderly. Approximately 40 percent of the caseload is female-headed with children. Married couples, singles, and the elderly each constitute roughly 20 percent of the caseload.

Female-headed households are headed by a woman usually in her 20s or early 30s, with one or two children in the household. Over 90 percent of these families are participating in the AFDC program, with a 1.2 year median prior length of welfare use. Most have nine to eleven, or twelve years of schooling. Three out of four are not employed, and those who are working have an average hourly wage rate of $3.83. The fact that most of these women are either never married or separated/divorced illustrates two avenues towards entering welfare. For a never-married woman, having a child to care for, lacking a second wage earner in the household, and being in a relatively noncompetitive position in the labor market, welfare becomes an economic necessity. On the other hand, a woman who has become separated or divorced had at one point established a family with her husband, only then to lose (in most instances) the primary wage earner. This, along with a lack of employment skills and lack of alimony and/or child support payments (see Sorenson and MacDonald, 1981) may have caused her to turn to welfare for

assistance. In both cases, the formation of a new family structure without socioeconomic resources is undoubtably a primary reason for female heads to utilize AFDC. As Sanger writes, "when a woman with children becomes a family head, her chances of becoming poor and going on welfare greatly increase" (1979:51).

Eighteen months after the first sampling date, 35.4 percent of female heads have completed their original spell of welfare. Those exiting have a greater probability of living outside of Milwaukee county, having only one child, of being white, having higher levels of education, employment, and wages, and of having spent less time on welfare than those who have remained. The primary reason for female heads to exit welfare is either a change in their income/asset level, or a failure to provide sufficient information for continued eligibility.

Married couples can be characterized in a somewhat different fashion. First, they are participating in a range of programs, rather than only AFDC. They also have been on welfare for a shorter amount of time than female heads (.5 year median). Married heads tend to be in their 20s or 30s, and most have at least one or two children. The majority have nine to eleven, or twelve years of education. Average hourly wage is $3.44. If the question is asked: Why have these couples had to resort to welfare? several answers are possible. While married couples generally have more resources at their command, they also have more expenses (due to larger family size). For many of these couples, a husband may be unemployed and unable or unwilling to find work. If one or both spouses are working, the income generated is barely enough to get

by. Some form of welfare is necessary, either in the form of cash, food stamps, and/or medical benefits. Welfare is probably a solution to a temporary economic crisis among married couples.

Indeed, a much higher percentage of married than female heads have exited from welfare during the 18 month period of observation. Approximately three out of five married couples will have left welfare during this time. Those leaving tend to have fewer children, higher levels of socioeconomic resources, and to be white. Most are exiting because of a change in income/assets or because they have not provided sufficient eligibility information.

Single-headed households represent a third major group of welfare recipients. Single heads tend to be receiving either Food Stamps or Medicaid, and their prior use of welfare is short (.3 year median). Slightly over one half are male, and approximately 50 percent are between the ages of 15 and 24 (with the remainder evenly distributed up to age 65). One third of single heads are incapacitated. Education averages 10.8 years, while 83.8 percent are not employed. Mean hourly wage is $2.82. There would appear to be at least two separate reasons for this group's welfare use. First, one out of three single heads are incapacitated. Perhaps lacking a family or kin network for support, and lacking sufficient economic resources, these individuals turn to Medicaid in order to cover their medical needs. A second group of singles is using Food Stamps. In this case, young individuals living on their own and lacking employment, or well paying jobs, may be turning to the Food Stamp program to help cover monthly expenses.

Single heads are the most likely household category to have exited from welfare. Nearly 70 percent have left at some point during the year-and-a-half period. Single heads who were off welfare as of March 1982 had a greater likelihood of being male, not incapacitated, and younger than those remaining. They also have been on welfare a shorter amount of time and have higher levels of socioeconomic status. The main reason for their exit is the failure to provide sufficient information for continued eligibility.

The elderly represent a final group of welfare recipients. Close to 90 percent of elderly heads on the CRN system are participating in the Medicaid program. Average age is 81.8 years, 70 percent are female, and nearly 60 percent are incapacitated. These are individuals who are turning to welfare in order to meet their medical needs. Lacking a sufficient economic resource base to deal with failing health, they are forced to rely on the Medicaid program. Slightly over one out of three elderly heads have exited from welfare, usually due to death.

To conclude, although the analysis presented in this paper is preliminary, it indicates some of the potential of this data set. Over the course of the next several years we would anticipate that the Applied Population Laboratory, the Institute for Research on Poverty, and others, will generate information that will prove to be useful and illuminating in the future. We feel that it is critical that such work be carried out. For only when we as a State are well informed can intelligent and insightful policy be created.

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Table 1: Program Type By Household Type: September 1980

Program Type	Household Type: Female Heads with Children	Married Heads	Single Heads	Elderly Heads	Total
AFDC/FS/MA	64.6%	25.9%	4.6%	.5%	31.5%
AFDC/MA	29.9	33.5	4.0	.4	19.0
FS	1.7	14.7	39.1	3.2	11.9
FS/MA	2.8	18.9	11.6	8.0	8.7
MA	1.0	7.0	40.7	88.0	28.9
Total	100% (1098)	100% (525)	100% (550)	100% (601)	100% (2774)

Table 2: Welfare History Prior to September 1980 By Household Type

Welfare History	Household Type: Female Heads with Children	Married Heads	Single Heads	Elderly Heads	Total
Prior Length of Welfare Use					
Less than 1 year	45.8%	68.6%	80.8%	49.7%	57.8%
1-2 years	20.3	11.9	9.5	19.7	16.5
2-3 years	7.8	4.9	2.0	8.7	6.3
3 years or more	26.1	14.6	7.7	22.0	19.4
Total	100% (1093)	100% (512)	100% (547)	100% (600)	100% (2752)
Average Length in Years	2.5	1.5	.9	2.0	1.9
Median Length in Years	1.2	.5	.3	1.0	.8
Age at onset of Current Welfare Cycle					
Less than 15	.3%	0.0%	.4%	-%	.2%
15-19	20.3	10.2	30.0	-	15.9
20-24	28.5	21.7	21.8	-	19.7
25-29	21.5	22.7	9.1	-	14.6
30-34	13.6	14.1	6.0	-	9.2
35-39	7.9	14.1	4.6	-	6.6
40-44	3.4	5.9	5.5	-	3.5
45-49	2.4	3.9	6.0	-	2.9
50-54	1.6	3.3	5.3	-	2.3
55-59	.6	2.3	7.1	-	2.1
60-64	-	2.0	4.2	2.8	1.8
65-69	-	-	-	12.5	2.7
70-74	-	-	-	15.3	3.3
75-79	-	-	-	18.3	4.0
80-84	-	-	-	22.7	4.9
85 or more	-	-	-	28.3	6.2
Total	100% (1093)	100% (512)	100% (547)	100% (600)	100% (2752)
Average Age	27.1	31.3	31.3	79.8	40.2
Median Age	25.1	28.7	24.3	80.2	29.8

Table 3: Demograhic Characteristics By Household Type: September 1980

Demographic Characteristics of Case Heads	Household Type: Female Heads with Children	Married Heads	Single Heads	Elderly Heads	Total
Region					
Milwaukee	43.5%	17.7%	32.7%	25.3%	32.6%
Other Metropolitan	33.0	38.7	37.3	37.9	36.0
Nonmetropolitan	23.5	43.6	30.0	36.8	31.5
Total	100% (1098)	100% (525)	100% (550)	100% (601)	100% (2774)
Sex					
Female	100.0%	85.1%	48.9%	70.7%	80.7%
Male	0.0	14.9	51.1	29.3	19.3
Total	100% (1098)	100% (525)	100% (550)	100% (601)	100% (2774)
Race					
White	59.5%	81.5%	69.8%	84.2%	71.1%
Black	32.0	5.1	16.7	1.0	17.2
Other	8.6	13.3	13.5	14.8	11.8
Total	100% (1098)	100% (525)	100% (550)	100% (601)	100% (2774)
Incapacitation					
Not Incapacitated	97.1%	93.9%	66.8%	42.0%	78.9%
Incapacitated	2.9	6.1	33.2	58.0	21.1
Total	100% (1098)	100% (525)	100% (549)	100% (576)	100% (2748)
Number of Children					
0	-%	11.6%	100.0%	98.7%	43.7%
1	43.4	23.2	-	1.2	21.8
2	30.7	26.9	-	0.0	17.2
3	14.8	19.0	-	0.0	9.4
4 or more	11.1	19.2	-	.2	8.1
Total	100% (1098)	100% (525)	100% (550)	100% (601)	100% (2774)
Average	**2.0**	**2.3**	**0.0**	**0.0**	**1.2**

Table 4: Age By Household Type: September 1980

Age of Case Heads	Household Type: Female Heads with Children	Married Heads	Single Heads	Elderly Heads	Total
Less than 15	.2%	0.0%	.4%	-%	.1%
15-19	7.2	6.5	25.3	-	9.1
20-24	28.2	19.4	25.1	-	19.8
25-29	24.4	22.3	9.8	-	15.8
30-34	16.8	16.0	4.7	-	10.6
35-39	12.0	16.0	4.9	-	8.8
40-44	4.4	6.7	5.1	-	4.0
45-49	3.1	4.8	6.2	-	3.4
50-54	2.6	3.0	5.3	-	2.7
55-59	1.1	3.2	7.5	-	2.5
60-64	0.0	2.1	5.8	-	1.6
65-69	-	-	-	10.5	2.3
70-74	-	-	-	13.1	2.8
75-79	-	-	-	16.1	3.5
80-84	-	-	-	22.5	4.9
85 or more	-	-	-	37.8	8.2
Total	100% (1098)	100% (525)	100% (550)	100% (601)	100% (2774)
Average Age	29.6	32.7	32.1	81.8	42.0
Median Age	27.6	30.4	24.7	82.7	32.3

Table 5: Socioeconomic Characteristics By Household Type: September 1980

Socioeconomic Characteristics of Case Heads	Household Type: Female Heads with Children	Married Heads	Single Heads	Elderly Heads	Total
Education					
8 or less	5.4%	11.9%	13.0%	72.6%	17.8%
9-11	37.4	32.4	34.9	7.9	31.7
12	43.3	46.2	37.4	13.7	38.6
Greater than 12	13.9	9.5	14.7	5.8	12.0
Total	100% (1046)	100% (494)	100% (455)	100% (328)	100% (2323)
Average Education	11.3	11.0	10.8	7.9	10.7
Employment					
Not Employed	72.5%	86.1%	83.8%	99.5%	83.2%
Part-Time	11.3	6.3	13.3	.5	8.4
Full-Time	16.2	7.6	2.9	0.0	8.4
Total	100% (1098)	100% (525)	100% (550)	100% (601)	100% (2774)
Average Hours Worked per Week	9.2	4.5	3.8	0.0	5.2
Average Hours Worked per Week for Those Employed	32.7	32.4	23.6	7.7	30.9
Monthly Income					
$0	73.1%	83.0%	82.0%	99.2%	82.4%
$1-249	4.0	5.7	7.3	.7	7.2
$250-499	7.8	4.8	9.5	.2	5.9
$500 or more	15.0	6.5	1.3	0.0	7.5
Total	100% (1098)	100% (525)	100% (550)	100% (601)	100% (2774)
Average Monthly Income	$138.27	$73.02	$45.77	-	$78.13
Average Monthly Income For Earners	$514.64	$430.71	$254.25	-	$443.98
Average Wage Rate	$3.83	$3.44	$2.82	-	$3.57

Table 6: Cumulative Completed Spell Distribution and Exit Probabilities By Household Type

	Household Type				
	Female Heads with Children	Married Heads	Single Heads	Elderly Heads	Total
Cumulative Completed Spell Distribution					
Percent of cases completing original welfare spell at the end of ___ months					
6 months	12.4%	26.3%	40.4%	14.3%	21.1%
12 months	22.3	43.1	58.2	27.3	34.5
18 months	35.4	61.6	67.7	37.3	47.2
Percent of cases that have returned	5.9%	8.0%	9.1%	2.1%	6.1%
Percent of cases that have left and not returned	29.5%	53.6%	58.6%	35.2%	41.1%
Exit Probabilities					
9/80 - 3/81	.12	.26	.40	.14	.21
3/81 - 9/81	.11	.23	.30	.15	.17
9/81 - 3/82	.18	.32	.25	.14	.20

Table 7: Welfare History Prior to September 1980 By Household Type and March 1982 On/Off Status

Welfare History	Household Type: Female Heads with Children		Married Heads		Single Heads		Elderly Heads		Total	
	On	Off	On	Off	On	Off	On	Off	On	Off
Prior Length of Welfare Use										
Less than 1 year	42.2%	54.2%	65.1%	71.4%	61.7%	93.1%	46.8%	54.9%	49.2%	69.7%
1-2 years	20.6	19.8	13.4	10.7	17.8	4.2	20.7	17.8	19.2	12.8
2-3 years	8.7	5.7	5.6	4.3	3.3	1.2	10.1	6.1	7.9	4.1
3 years or more	28.6	20.4	15.9	13.6	17.3	1.5	22.5	21.1	23.7	13.4
Total	100% (759)	100% (334)	100% (232)	100% (280)	100% (214)	100% (333)	100% (387)	100% (213)	100% (592)	100% (1160)
Average Length in Years	2.8	2.0	1.5	1.4	1.5	.5	2.1	1.9	2.3	1.4
Median Length in Years	1.3	1.0	.7	.4	.7	.2	1.2	.9	1.1	.5
Age at Onset of Current Welfare Cycle										
Less than 15	.1%	.6%	-%	-%	.9%	-%	-%	-%	.2%	.2%
15-19	22.1	16.2	12.1	8.6	18.2	37.5	-	-	14.8	17.5
20-24	29.0	27.2	19.8	23.2	18.2	24.0	-	-	19.2	20.3
25-29	21.7	21.0	16.4	27.9	7.0	10.5	-	-	13.7	15.8
30-34	12.0	17.4	16.4	12.1	7.5	5.1	-	-	9.1	9.4
35-39	7.5	8.7	16.8	11.8	4.2	4.8	-	-	6.6	6.7
40-44	3.2	3.9	7.8	4.3	7.0	4.5	-	-	3.6	3.4
45-49	2.4	2.4	3.0	4.6	8.9	4.2	-	-	2.8	3.0
50-54	1.6	1.5	3.4	3.2	9.3	2.7	-	-	2.5	2.0
55-59	.4	1.2	2.6	2.1	13.6	3.0	-	-	2.4	1.7
60-64	-	-	1.7	2.1	5.1	3.6	3.1	2.3	1.7	2.0
65-69	-	-	-	-	-	-	12.7	12.2	3.1	2.2
70-74	-	-	-	-	-	-	16.8	12.7	4.1	2.3
75-79	-	-	-	-	-	-	18.6	17.8	4.5	3.3
80-84	-	-	-	-	-	-	20.4	26.8	5.0	4.9
85 or more	-	-	-	-	-	-	28.4	28.2	6.9	5.2
Total	100% (759)	100% (334)	100% (232)	100% (280)	100% (214)	100% (333)	100% (387)	100% (213)	100% (1592)	100% (1160)
Average Age	26.7	28.1	31.8	30.9	36.6	27.9	79.4	82.4	41.6	38.4
Median Age	24.8	26.1	30.6	28.1	33.3	21.8	79.7	83.0	31.0	28.8

Table 8: September 1980 Demographic Characteristics By Household Type and March 1982 On/Off Status

Demographic Characteristics of Case Heads	Household Type: Female Heads with Children		Married Heads		Single Heads		Elderly Heads		Total	
	On	Off	On	Off	On	Off	On	Off	On	Off
Region										
Milwaukee	47.2%	35.2%	16.3%	18.9%	34.4%	31.6%	23.3%	29.0%	35.1%	29.1%
Other Metro.	30.9	37.6	36.0	40.9	34.4	39.1	38.8	36.4	34.0	38.6
Nonmetro.	21.9	27.2	47.7	40.2	31.2	29.3	38.0	34.6	30.9	32.3
Total	100% (763)	100% (335)	100% (239)	100% (286)	100% (215)	100% (335)	100% (387)	100% (214)	100% (1604)	100% (1170)
Set										
Female	100.0%	100.0%	86.2%	84.3%	58.6%	42.7%	71.6%	69.2%	85.5%	74.1%
Male	-	-	13.8	15.7	41.4	57.3	28.4	30.8	14.5	25.9
Total	100% (763)	100% (335)	100% (239)	100% (286)	100% (215)	100% (335)	100% (387)	100% (214)	100% (1604)	100% (1170)
Race										
White	54.1%	71.6%	75.3%	86.7%	67.4%	71.3%	84.0%	84.6%	66.3%	77.6%
Black	36.7	21.2	5.9	4.5	16.7	16.7	.8	1.4	20.8	12.2
Other	9.2	7.2	18.8	8.7	15.8	11.9	15.2	14.0	13.0	10.2
Total	100% (763)	100% (335)	100% (239)	100% (286)	100% (215)	100% (335)	100% (387)	100% (214)	100% (1604)	100% (1170)
Number of Children										
0	-%	-%	10.5%	12.6%	100.0%	100.0%	98.7%	98.6%	38.8%	49.7%
1	39.2	53.1	20.1	25.9	-	-	1.3	.9	21.9	21.7
2	32.1	27.5	22.2	30.8	-	-	-	-	18.6	15.4
3	16.0	11.9	22.6	16.1	-	-	-	-	11.0	7.4
4 or more	12.7	7.5	24.7	14.7	-	-	-	.5	9.7	5.8
Total	100% (763)	100% (335)	100% (239)	100% (286)	100% (215)	100% (335)	100% (387)	100% (214)	100% (1604)	100% (1170)
Average	2.1	1.7	2.5	2.1	0.0	0.0	0.0	0.0	1.4	1.0
Incapacitation										
Not Incapac.	97.1%	97.0%	95.0%	93.0%	47.7%	79.1%	39.6%	46.4%	76.7%	81.9%
Incapacitated	1.4	3.0	5.0	7.0	52.3	20.9	60.4	53.6	23.3	18.1
Total	100% (763)	100% (335)	100% (239)	100% (286)	100% (214)	100% (335)	100% (369)	100% (207)	100% (1585)	100% (1163)

Table 9: September 1980 Age By Household Type and March 1982 On/Off Status

Age of Case Heads	Household Type: Female Heads with Children		Married Heads		Single Heads		Elderly Heads		Total	
	On	Off	On	Off	On	Off	On	Off	On	Off
Less than 15	.1%	.3%	-%	-%	.9%	-%	-%	-%	.2%	.1%
15-19	7.6	6.3	7.5	5.6	15.8	31.3	-	-	6.9	12.1
20-24	28.6	27.5	20.9	18.2	18.6	29.3	-	-	19.2	20.7
25-29	25.4	22.1	15.5	28.0	7.4	11.3	-	-	15.4	16.4
30-34	15.9	19.1	17.6	14.7	5.6	4.2	-	-	10.9	10.3
35-39	11.1	13.7	16.3	15.7	4.2	5.4	-	-	8.3	9.3
40-44	4.1	5.1	8.8	4.9	7.4	3.6	-	-	4.2	3.7
45-49	3.3	2.7	5.0	4.5	7.4	5.4	-	-	3.3	3.4
50-54	3.0	1.8	2.5	3.5	9.8	2.4	-	-	3.1	2.1
55-59	.9	1.5	3.8	2.8	14.0	3.3	-	-	2.9	2.1
60-64	-	-	2.1	2.1	8.8	3.9	-	-	1.5	1.6
65-69	-	-	-	-	-	-	10.1	11.2	2.4	2.1
70-74	-	-	-	-	-	-	14.0	11.7	3.4	2.1
75-79	-	-	-	-	-	-	16.5	15.4	4.0	2.8
80-84	-	-	-	-	-	-	21.7	23.8	5.2	4.4
85 or more	-	-	-	-	-	-	37.7	37.9	9.1	6.9
Total	100% (763)	100% (335)	100% (239)	100% (286)	100% (215)	100% (335)	100% (387)	100% (214)	100% (1604)	100% (1170)
Average Age	29.5	30.1	33.0	32.3	38.0	28.4	81.5	82.4	43.7	39.7
Median Age	27.4	28.6	32.1	29.7	36.9	22.1	82.5	83.0	33.5	30.2

Table 10: September 1980 Socioeconomic Characteristics By Household Type and March 1982 On/Off Status

Socioeconomic Characteristics of Case Heads	Household Type: Female Heads with Children On	Female Heads with Children Off	Married Heads On	Married Heads Off	Single Heads On	Single Heads Off	Elderly Heads On	Elderly Heads Off	Total On	Total Off
Education										
8 or less	5.7%	4.8%	14.5%	9.9%	26.5%	6.3%	69.2%	76.9%	18.8%	16.5%
9-11	41.5	27.9	32.6	32.2	29.8	37.5	7.0	9.1	33.6	29.3
12	40.9	48.9	44.3	47.6	34.4	38.8	17.8	8.4	37.4	40.0
Greater than 12	11.9	18.4	8.6	10.3	9.3	17.4	5.9	5.6	10.2	14.2
Total	100% (731)	100% (315)	100% (221)	100% (273)	100% (151)	100% (304)	100% (185)	100% (143)	100% (1288)	100% (1035)
Average	11.2	11.6	10.9	11.1	9.5	11.4	8.2	7.6	10.5	10.8
Employment										
Not Employed	76.3%	63.9%	89.1%	83.6%	86.0%	82.4%	99.2%	100.0%	85.0%	80.6%
Part-time	11.0	11.9	3.8	8.4	10.7	14.9	.8	-	7.4	9.7
Full-time	12.7	24.2	7.1	8.0	3.3	2.7	-	-	7.5	9.7
Total	100% (763)	100% (335)	100% (239)	100% (286)	100% (215)	100% (335)	100% (387)	100% (214)	100% (1604)	100% (1170)
Average Hours Worked per Week	7.5	12.4	3.8	5.1	3.5	4.0	.1	0.0	4.6	6.0
Average Hours Worked per Week for those Employed	31.5	34.4	35.2	30.9	24.9	22.9	7.7	0.0	30.8	30.7
Monthly Income										
$0	78.8%	60.3%	87.0%	79.7%	87.4%	78.5%	99.0%	99.5%	86.0%	77.4%
$1-249	4.2	3.6	5.4	5.9	5.1	8.7	1.0	-	3.7	5.0
$250-499	7.5	8.7	1.7	7.3	6.5	11.3	-	.5	4.7	7.6
$500 or more	9.6	27.5	5.9	7.0	.9	1.5	-	-	5.5	10.0
Total	100% (763)	100% (335)	100% (239)	100% (288)	100% (215)	100% (335)	100% (387)	100% (214)	100% (1604)	100% (1170)
Average Monthly Income	$91.93	$243.80	$59.40	$84.42	$31.43	$54.97	-	-	$56.95	$106.52
Average Monthly Income For Earners	$433.00	$614.09	$457.68	$416.29	$250.26	$255.75	-	-	$407.80	$472.06
Average Wage Rate	$3.31	$4.46	$3.32	$3.50	$2.64	$2.90	-	-	$3.21	$3.89

Table 11: Reasons For Exiting AFDC, Food Stamps and Medicaid By Household Type

Reasons for Exiting	Household Type: Female Heads with Children	Married Heads	Single Heads	Elderly Heads	Total
Reasons for Exiting AFDC					
Income/Asset Change	23.6%	26.5%	0.0%	0.0%	23.9%
Household Change	8.3	16.8	58.3	50.0	12.7
Lack of Information	17.7	29.0	8.3	50.0	21.4
Other	50.3	27.7	33.3	0.0	42.0
Total	100% (288)	100% (155)	100% (12)	100% (2)	100% (457)
Reasons for Exiting Food Stamps					
Income/Asset Change	22.9%	35.1%	9.4%	20.6%	21.2%
Household Change	1.1	1.3	1.0	5.9	1.4
Lack of Information	33.5	36.4	60.6	35.3	44.0
Other	42.5	27.3	29.1	38.2	33.3
Total	100% (179)	100% (154)	100% (203)	100% (34)	100% (570)
Reasons for Exiting Medicaid					
Income/Asset Change	35.7%	34.6%	13.1%	11.4%	25.8%
Household Change	1.0	.9	2.9	75.6	17.6
Lack of Information	23.6	35.5	36.6	4.5	24.9
Other	39.8	29.0	47.4	8.5	31.7
Total	100% (314)	100% (231)	100% (175)	100% (201)	100% (921)

APPENDIX

POVERTY IN WISCONSIN

November 30, 1983
Madison, Wisconsin

Program

8:00 am	Registration
8:30	U.S. and Wisconsin Poverty: Progress of the War Sheldon H. Danziger, Institute for Research on Poverty
9:00	Poverty Among Minorities Stephen J. Tordella, Applied Population Laboratory
9:30	Women and Poverty Ann Nichols-Casebolt, Institute for Research on Poverty
10:00	Break
10:15	Elderly Poverty Patricia A. Guhleman and Doris P. Slesinger, Applied Population Laboratory
10:45	Rural Poverty - William E. Saupe and John W. Belknap, Department of Agricultural Economics, UW-Madison
11:15	Panel and Audience Discussion: Policy Implications Severa Austin, Division of Community Services, Department of Health and Social Services Diane Greenley, Center for Public Representation Robert Nelson, Legal Action of Wisconsin
12:15 pm	Lunch, Keynote Address Thomas A. Loftus, Assembly Speaker
1:30	Impact of Reagan's Welfare Policy on Food Stamp Households Maurice MacDonald, Institute for Research on Poverty
2:00	Wisconsin's Welfare Population: a Longitudinal Study Mark R. Rank and Paul R. Voss, Applied Population Laboratory
2:45	Panel and Audience Discussion: Policy Implications Carol Croce, Nutrition Project Eleanor Fitch, Wisconsin Council on Human Concerns James Morgan, Wisconsin Taxpayers Alliance
3:45	Wrap-up/Evaluation

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